

Residential Fiscal Impact Assessment *Lancaster County, South Carolina*

**A Report To The
Council of Lancaster County**

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RESIDENTIAL FISCAL IMPACT ASSESSMENT

LANCASTER COUNTY, SOUTH CAROLINA

INTRODUCTION

This report estimates the future public cost to Lancaster County, South Carolina resulting from rapid population growth over the coming decade. It was prepared in response to a request from the council of Lancaster County.

Population growth in Lancaster County has been particularly rapid in the unincorporated Indian Land area, which is located within the northern panhandle adjacent to York County.¹ The Catawba Regional Council of Governments projects that the population of the northern panhandle will jump about 140 percent from just over 7,000 people in 2000 to 17,000 people in 2015.² Most of this anticipated growth is associated with expansion of the Charlotte, North Carolina metro area. As of fall 2004, the county had approved over 11,000 new residential units for construction over the next few years. These new units could raise the total area residents above the Council of Government's projections. However, the authors decided to use the Council's official projections because they are an average over a longer time period. Lancaster County population growth will most likely exceed official projections. Most of these new residences will be constructed within the northern panhandle.

While the residential and commercial development associated with population growth increases county tax revenues, it also increases the demand for public services such as education and public safety. If the increase in revenues isn't sufficient to cover the costs of increased demand for public services then one or a combination of three options must be pursued: 1) taxes can be raised, 2) new sources of revenue can be found, or 3) service levels can be reduced. Growth—particularly rapid growth—also strains the capacity of existing physical infrastructure such as roads and highways.

Rapid population growth in Lancaster County, and especially in Indian Land, has already brought significant challenges to county government. The bulk of the county's service infrastructure is located 25 miles south of Indian Land around the city of

¹ Census tract 112; see map in Appendix C.

² Author's conversation with Catawba Regional Council of Governments.

Lancaster. Many unincorporated areas of the county, including Indian Land, have only limited public services. In addition to this study, Lancaster County recently hired a consulting firm to review the impact of rapid development on the panhandle's primary transportation system, US Route 521 and SC Route 160.³

This report estimates the magnitude of the increases in Lancaster County government revenues and expenditures that are anticipated to be associated with projected population growth during the ten-year period from fiscal year 2005 to fiscal year 2014. The additional expenditures required to maintain existing service levels as the population grows are estimated to exceed the additional revenue generated by population growth by over \$5 million, based on this analysis.

This report is organized into six sections. The current section introduces the report. The second section gives a brief overview of research on the fiscal costs of population growth. The third section presents estimates of the impact of population growth on annual county government revenues and expenditures, including detail on major revenue sources and key spending areas. It also develops a limited estimate of the effect of population growth on school district property tax revenue. The fourth section identifies revenue sources that could be used to fund the projected net costs of population growth. The fifth section discusses options for managing population growth in Lancaster County. The sixth section concludes the report. Appendices contain detailed information on the methodology used and the estimated impact of growth on county revenues and expenditures.

³ The county entered into a contract with Woolpert Consultants in September 2002.

THE COSTS OF POPULATION GROWTH

Until the last few decades, population growth was generally considered to have a positive impact upon communities. The benefits of growth – increased tax base, jobs and economic opportunities – were the primary focus. But as the pace of growth has accelerated over the last 30 years, the research focus has expanded to include the costs of growth. Communities can generally accommodate the cost of increased service demands resulting from a 1-2 percent annual growth rate. However, the perception of growth changes when rapid growth begins to impede a community's capacity to provide essential services such as roads, recreation facilities, and schools. Clancy Mullen notes that "Rapid growth spurts in excess of three percent are much more likely to result in traffic congestion, overcrowded schools and rising tax and utility bills."⁴

A large body of literature has been developed on the costs to expand government services and infrastructure to serve new residents and businesses.⁵ Other studies have focused upon environmental issues associated with growth (e.g., excessive water consumption, air pollution, loss of wildlife habitat, and loss of farmland),⁶ transportation and commuting costs,⁷ the social consequences of suburban growth,⁸ the impact of sprawl,⁹ and techniques to reduce public and private costs through development practices, i.e., "Smart Growth".¹⁰

⁴ Clancy Mullen, *The Cost of Growth: A Brief Overview* (Austin, Texas: Duncan Associates, March 2002).

⁵ See, for example, publications on this topic available from the following organizations: the Lincoln Institute for Land Policy, <<http://www.lincolnst.edu/index-high.asp>>, the Northeast Midwest Institute <<http://www.nemw.org/reports.htm#smartgrowth>>, and the National Center for Smart Growth Research and Education <<http://www.smartgrowth.umd.edu>>.

⁶ See, for example, publications on this topic available from the following organizations: the American Farmland Trust <<http://www.farmland.org>>, the Farm Foundation <<http://www.farmfoundation.org>>, and the U.S. Environmental Protection Agency <<http://www.epa.gov/livability>>.

⁷ See, for example, publications on this topic available from the American Planning Association <<http://www.planning.org>>.

⁸ Robert D. Putnam, *Bowling Alone: The Collapse and Revival of American Community* (New York: Simon & Schuster, 2000). See also publications on this topic available from the American Planning Association <<http://www.planning.org>>.

⁹ <www.planning.org>, <www.sierraclub.org>, William Coyne, *The Fiscal Cost of Sprawl: How Sprawl Contributes to Local Governments' Budget Woe*, (Denver, CO: Environment Colorado Research and Policy Center, December 2003). See also publications on this topic available from the American Planning Association <<http://www.planning.org>> and the Sierra Club <<http://www.sierraclub.org>>.

¹⁰ Dwight Young, *Alternatives to Sprawl* (Cambridge, MA: Lincoln Institute for Land Policy, 1995). See notes 5, 6, and 7 and publications on this issue at the Brookings Institution <<http://www.brookings.edu>>.

Much of the research focused on the fiscal costs and benefits of growth has concluded that residential development does not pay for itself. The American Farmland Trust (AFT) collected studies across the nation and determined that on average, residential development requires \$1.16 in community services for every \$1 of tax revenue it contributes.¹¹ In Culpepper County, Virginia, researchers found that residential development costs \$1.25 in county services for every \$1 of revenue.¹² A 2002 University of Georgia study of four communities found that residential development required a range of \$1.24 to \$2.26 in community services for every \$1 of tax revenue generated.¹³ Conclusions such as those above are refuted by the homebuilding industry, which argues that these analyses do not capture the associated taxes and dollars spent on home furnishings and other goods and services.¹⁴ However, most research concludes that residential development, especially mobile homes, puts a greater strain on public services than commercial or industrial development and does not return adequate revenue to support it.

One common misconception is that residential growth will always attract commercial growth. In fact, commercial growth is more likely to occur near established employment hubs than in “bedroom” communities. As a result, accelerated residential growth has created numerous bedroom communities that lack an adequate commercial and industrial economic base. An additional problem with commercial development in mainly residential communities is that even when sufficient property with commercial zoning is available, it may not be developed.

Commuter shopping patterns are one reason that it can be difficult to attract commercial development to residential communities that are relatively far from employment centers. Employment patterns in South Carolina are changing and businesses are now drawing workers from a larger geographic area than in the past. Almost 40 percent of Lancaster County residents worked in another county in 2000, compared to only 26.7 percent in the state.¹⁵ This new employment pattern can have a significant economic impact upon local communities because bedroom community residents tend to shop close to their place of employment. Thus, as Mitch Renkow recently observed,

¹¹ American Farmland Trust, *Fact Sheet: Cost of Community Services Studies*, (Washington, D.C.: American Farmland Trust, November 2002), p. 2.

¹² Henry L. Diamond and Patrick F. Noonan, *Land Use in America* (Cambridge, MA: Lincoln Institute for Land Policy, 1996), p. 35.

¹³ University of Georgia, *The Economic Costs of Development for Local Governments* (Athens, GA: University of Georgia, January 2002).

¹⁴ National Association of Home Builders, *Smart Growth, Smart Choices* (Washington, DC: National Association of Home Builders, 2002),
<http://www.nahb.org/publication_details.aspx?sectionID=702&publicationID=15>.

¹⁵ U.S., Census Bureau, *Percentage of Residents that Work Outside the County of Residence*, 2000 Census (Washington, DC: Census Bureau, 2002).

“...the economic stimulus and attendant multiplier effects associated with that spending will be captured by businesses in the workplace county, not by those located in the residence county. Spending by nonresident commuters also boosts sales tax revenues for the workplace county, while at the same time causing ‘leakage’ of sales tax revenues from the commuters’ residence county.”¹⁶

Local governments can no longer assume that population growth alone will bring them the revenues they need. Without corresponding growth in the non-residential tax base, local governments may not have sufficient revenues to cover the cost of new residential service demands and long term infrastructure needs.¹⁷ Furthermore, the heavier reliance of bedroom communities on residential property tax revenue to support government spending can contribute to fiscal shortfalls, especially in the anti-tax climate that is common today in South Carolina and many other parts of the country. This fiscal imbalance has caused many states and communities to reassess how they grow and who will be responsible for the costs associated with growth.

¹⁶ Mitch Renkow, “Population Deconcentration and the Rural South,” *Southern Perspectives* 7 (Winter 2004), <<http://srdc.msstate.edu/publications/wintersp04.pdf>> , pp. 4-5.

¹⁷ Gerrit Knaap and Terry Moore, *Land Supply and Infrastructure Capacity Monitoring for Smart Urban Growth*, Lincoln Institute for Land Policy Working Paper WP00GK1 (Cambridge, MA: Lincoln Institute for Land Policy, 2000), <<http://www.lincolninst.edu/pubs/pub-detail.asp?id=96>>.

FISCAL IMPACT ANALYSIS

For the ten-year period beginning in fiscal year 2005 and ending in fiscal year 2014, we estimated the increases in Lancaster County government expenditures and revenues associated with projected population growth. We also developed a limited estimate of the impact of population growth on Lancaster County School District property tax revenue. This section of the report presents the population projection that is used as the basis of the fiscal impact analysis and summarizes the expenditure and revenue estimates. Detailed expenditure and revenue projections and a description of the assumptions and methodology used in preparing the estimates are provided in the appendices.

POPULATION PROJECTION

The projected population and annual increases in population and number of households for each year of the projection are displayed in Table 1. These projections provide the basis for the expenditure and revenue estimates. These projections assume an annual population growth rate of 2.2 percent and an average household size of 2.6 persons.

EXPENDITURES

County activities are classified into ten functional categories. Expenditures within each functional category are divided into three types: operations, contract services, and capital. The estimated increase in expenditures of each type within each functional category is presented in Table 2.

EXPENDITURE TYPES

The three expenditure types are briefly described below. Detailed explanations of the methods and assumptions used in estimating increases in expenditures of each type are provided in Appendix A.

Operating Expenditures. These expenditures include employee salaries and fringe benefits, the costs of maintaining and operating vehicles and equipment, and other non-capital expenditures related to the activities of each department within Lancaster County government.

**Table 1 - Projected Population, Population Increase,
and New Households, 2005 - 2014**

Fiscal Year	Projected Population	Population Increase Over Prior Year	Household Count Increase Over Prior Year
2005	65,301	1,406	541
2006	66,738	1,437	553
2007	68,206	1,468	565
2008	69,707	1,501	577
2009	71,240	1,534	590
2010	72,807	1,567	603
2011	74,409	1,602	616
2012	76,046	1,637	630
2013	77,719	1,673	643
2014	79,249	1,710	658
Total Increase		15,534	5,976

**Table 2 - Present Value of Estimated Expenditure Increases
by Expenditure Type and Functional Category, 2005 - 2014**

Category	Operating	Contract Services	Capital Improvements	Total
General administration	\$527,000	\$0	\$0	\$527,000
Planning and code enforcement	1,740,000	0	0	1,740,000
Tax administration	1,936,000	0	209,000	2,145,000
Judicial administration	1,737,000	0	0	1,737,000
Fire and EMS	4,390,000	1,113,000	729,000	6,232,000
Law enforcement	4,673,000	0	360,000	5,033,000
Transportation	2,117,000	1,029,000	0	3,146,000
Solid waste and public health	1,887,000	699,000	101,000	2,687,000
Recreation	606,000	0	1,346,000	1,952,000
Library	1,248,000	0	1,905,000	3,153,000
Total	\$20,861,000	\$2,841,000	\$4,650,000	\$28,352,000

Contract Services Expenditures. These expenditures include payments by Lancaster County government to other public or private organizations for the provision of county services. Examples include payments by the Public Works Department for landfill and waste hauling services and grants by the County Fire Commission to local fire departments.

Capital Improvement Expenditures. These expenditures include the costs of purchasing or constructing new public facilities, such as law enforcement substations or parks.

EXPENDITURE INCREASES BY FUNCTIONAL CATEGORY

Estimated expenditure increases within each functional category are summarized below. In addition to the expenditure estimates, each category summary includes a brief description of the county activities included within the category and a brief list of the added personnel and facilities required to serve the increasing population. Detailed estimate information is available in Appendix B.

General Administration. Expenditures in the general administration functional category include those related to operations of the County Council, County Administrator’s office, finance and human resources departments, registration and elections, register of deeds, vehicle and building maintenance departments, and the farmers market. Increases in general administration expenditures are summarized in Table 3.

Table 3 – General Administration Expenditure Increases, 2005 - 2014

Expenditure Type	Required Additions	Present Value
Personnel and Other Operating	1 vehicle maintenance mechanic and 1 accounting clerk, with new service vehicle for the maintenance mechanic	\$527,000
Contract Services	None	0
Capital Improvements	None	0
Total		\$527,000

Planning and Code Enforcement. Expenditures in the planning and code enforcement functional category include those related to planning, building and zoning, E-911, and economic development. Increases in planning and code enforcement expenditures are summarized in Table 4.

Table 4 - Planning and Code Enforcement Expenditure Increases, 2005 - 2014

Expenditure Type	Required Additions	Present Value
Personnel and Other Operating	2 building inspectors, 1 code enforcement officer, and 1 planner, with new vehicle for each	\$1,740,000
Contract Services	None	0
Capital Improvements	None	0
Total		\$1,740,000

Tax Administration. Expenditures in the tax administration functional category include those related to planning, building and zoning, E-911, and economic development. Increases in tax administration expenditures are summarized in Table 5.

Table 5 - Tax Administration Expenditure Increases, 2005 - 2014

Expenditure Type	Required Additions	Present Value
Personnel and Other Operating	3 appraisers, 1 auditor clerk, and 1 treasurer clerk, with new vehicle for each appraiser	\$1,954,000
Contract Services	None	0
Capital Improvements	Computer system upgrade	209,000
Total		\$2,163,000

Judicial Administration. Expenditures in the judicial administration functional category include those related to the circuit, probate, and family courts, the Clerk of Court and Coroner’s offices, and the magistrates. Increases in judicial administration expenditures are summarized in Table 6.

Table 6 - Judicial Administration Expenditure Increases, 2005 - 2014

Expenditure Type	Required Additions	Present Value
Personnel and Other Operating	2 magistrates and 2 court clerks	\$1,737,000
Contract Services	None	0
Capital Improvements	None	0
Total		\$1,737,000

Fire and Emergency Medical Services. Expenditures in the fire and emergency medical services (EMS) functional category include those related to the provision of emergency medical services and financial aid to local fire departments. Increases in fire and EMS expenditures are summarized in Table 7.

Table 7 - Fire and EMS Expenditure Increases, 2005 - 2014

Expenditure Type	Required Additions	Present Value
Personnel and Other Operating	8 EMS technicians, 2 EMS supervisors, and 2 billing and administrative employees, with new rapid response vehicle for each EMS technician	\$4,390,000
Contract Services	Funding to local fire departments increasing with population growth	1,113,000
Capital Improvements	2 EMS substations in panhandle area	729,000
Total		\$6,232,000

Law Enforcement. Expenditures in the law enforcement functional category include those related to the operation of the Sheriff's Department. Increases in law enforcement expenditures are summarized in Table 8.

Table 8 - Law Enforcement Expenditure Increases, 2005 - 2014

Expenditure Type	Required Additions	Present Value
Personnel and Other Operating	11 uniformed patrol officers, 1 uniformed patrol supervisor, and 2 detectives, with new patrol vehicle for each.	\$4,673,000
Contract Services	None	0
Capital Improvements	New law enforcement substation in panhandle area of county.	360,000
Total		\$5,033,000

Transportation. Expenditures in the transportation functional category include those related to road and bridge maintenance by the Public Works Department and the operations of the County Transportation Commission. Increases in transportation expenditures are summarized in Table 9.

Table 9 - Transportation Expenditure Increases, 2005 - 2014

Expenditure Type	Required Additions	Present Value
Personnel and Other Operating	4 equipment operators, with new road maintenance equipment	\$2,117,000
Contract Services	County Transportation Commission contract payments increasing with population growth	1,029,000
Capital Improvements	None	0
Total		\$3,146,000

Solid Waste and Public Health. Expenditures in the solid waste and public health category include those related to the solid waste operations of the Public Works Department and operations of the Animal Control Department. Increases in solid waste and public health expenditures are summarized in Table 10.

Table 10 – Solid Waste and Public Health Expenditure Increases, 2005 - 2014

Expenditure Type	Required Additions	Present Value
Personnel and Other Operating	Public Works 2 truck drivers and 1 convenience center attendant, with new vehicles and equipment Animal Control 1 animal control officer and 1 animal control custodian, with new vehicle for officer	\$1,887,000
Contract Services	Landfill and waste hauling contract payments increasing with population growth	699,000
Capital Improvements	1 small animal control shelter	101,000
Total		\$2,687,000

Recreation. Expenditures in the recreation functional category include those related to the operations of the Recreation Department. Increases in recreation expenditures are summarized in Table 11.

Table 11 - Recreation Expenditure Increases, 2005 - 2014

Expenditure Type	Required Additions	Present Value
Personnel and Other Operating	4 full-time equivalent employees	\$606,000
Contract Services	None	0
Capital Improvements	1 new recreation facility including 6 ball fields, 2 soccer fields, and 2 double tennis courts	1,346,000
Total		\$1,952,000

Library. Expenditures in the library functional category include those related to the operation of the Lancaster County Library system. Increases in library expenditures are summarized in Table 12.

Table 12 - Library Expenditure Increases, 2005 - 2014

Expenditure Type	Required Additions	Present Value
Personnel and Other Operating	Operating expenditures for new library branch facility	\$1,248,000
Contract Services	None	0
Capital Improvements	1 library branch facility in panhandle area	1,905,000
Total		\$3,153,000

REVENUES

Lancaster County has three main sources of revenue: property tax, local option sales tax, and non-tax sources, such as fees and charges for services. The estimated increase in revenue from each source is presented in Table 13.

**Table 13 - Present Value of Estimated Revenue
Increases by Source, 2005 - 2014**

Source	Revenue
Property Tax Revenue	
Owner-occupied residential	\$9,960,000
Commercial and rental	3,796,000
Personal property	1,952,000
Business personal property	601,000
Utility property	108,000
Motor carrier property	10,000
Total Property Tax Revenue	16,427,000
Net Local Option Sales Tax Revenue	1,020,000
Non-tax Revenue	
Licenses and permits	1,421,000
Charges for services	2,283,000
Fees, fines, and forfeitures	1,357,000
Other income	591,000
Total Non-tax Revenue	5,652,000
Total	\$23,099,000

REVENUE SOURCES

Each revenue source is briefly described below. Detailed explanations of the methods and assumptions used in projecting revenue are provided in Appendix A.

Property Tax Revenue. Property taxes provide Lancaster County's largest source of revenue, approximately half of total general fund revenue. Property taxes are assessed on both real property and personal property. Real property includes owner-occupied residential property, commercial and rental property, agricultural property, and manufacturing and industrial property. Personal property includes vehicles owned by individuals and business personal property. Utility and motor carrier property is also taxed.

Local Option Sales Tax Revenue. Net revenue from the one percent local option sales tax (LOST) provides approximately 4 percent of Lancaster County general fund revenue. A large portion of the revenue from the LOST is used for property tax rollback, a portion of the remainder is shared with cities in Lancaster County, and the rest is available to be used for other county purposes.

Non-tax Revenue. Non-tax revenue provides approximately 20 percent of Lancaster County general fund revenue. Non-tax revenue includes revenue from licenses and permits; charges for services; fines, fees and forfeitures; and other income.

COMPARISON OF EXPENDITURES AND REVENUES

Our analysis indicates that the additional expenditures required to maintain service levels as the population grows will exceed the additional revenue generated by population growth in every year of the study period, except the last. Projected expenditures and revenues for each year of the study period are presented in Table 14 below. The present values of the projected increases in expenditures and revenues are presented in Table 15.

Table 14 - Projected Expenditures, Revenues, and Deficits, 2005 - 2014

Fiscal Year	Operating and Contract Services Expenditures	Capital Expenditures	Total Expenditures	Revenues	Total Deficit	Operating Deficit
2005	\$678,000	\$103,000	\$781,000	\$404,000	(\$376,000)	(\$273,000)
2006	999,000	-	999,000	827,000	(172,000)	(172,000)
2007	1,542,000	380,000	1,992,000	1,268,000	(654,000)	(274,000)
2008	2,069,000	3,909,000	5,978,000	1,747,000	(4,231,000)	(323,000)
2009	2,600,000	-	2,600,000	2,255,000	(344,000)	(344,000)
2010	2,998,000	235,000	3,233,000	2,796,000	(437,000)	(201,000)
2011	3,776,000	-	3,776,000	3,371,000	(404,000)	(404,000)
2012	4,223,000	435,000	4,658,000	3,982,000	(676,000)	(241,000)
2013	4,713,000	-	4,713,000	4,631,000	(82,000)	(82,000)
2014	5,272,000	-	5,272,000	5,319,000	48,000	48,000

**Table 15 - Expenditure and Revenue Increases,
Total Present Value, 2005 - 2014**

Item	Present Value
Operating	\$20,861,000
Contract Services	2,841,000
Total Non-Capital Expenditures	23,702,000
Capital Improvements Expenditures	4,650,000
Total Expenditures	28,352,000
Revenues	23,098,000
Total Deficit	(5,254,000)
Non-Capital Deficit	(604,000)

The present value of the projected deficit exceeds \$5.2 million. The cost of capital improvements is almost 90 percent of the total deficit. Under the assumptions used in this analysis, population growth is projected to increase expenditures by approximately \$1.23 for every \$1.00 it increases revenues.

COST OF GROWTH PER NEW HOUSEHOLD

On average, each new household contributes to the projected deficit by requiring new expenditures in excess of new revenues. The deficit per household could be calculated by dividing annual deficits by the number of new households each year. However, that method would not accurately allocate the costs of capital improvements since new households in early years contribute to the need for capital improvements that occur in later years.

We computed an average cost of growth per new household by dividing the present value of the total deficit by the projected total of new households, with annual new households in each year weighted by the number of years they would be served during the study period. In other words, new households in the first year are weighted ten times as heavily as new households in the last year, because they receive services for ten years rather than for one. Calculated by this method, the present value of the costs of serving the average new household over the next ten years exceeds the present value of the revenue generated by approximately \$1,659.

IMPACT OF POPULATION GROWTH ON SCHOOL PROPERTY TAX REVENUE

We used information from the projection of Lancaster County property valuations to perform a limited projection of the impact of population growth on the property tax revenues of the Lancaster County School District. We projected future property tax

revenue and enrollment levels for the Lancaster County School District. We used those values to project property tax revenue per pupil over the study period. We also calculated the current value of property tax revenue per pupil and calculated baseline values for future years by increasing the current value at the same rate as inflation. We then compared the projected and baseline values to determine if per pupil property tax revenues could be expected to keep pace with inflation. As shown in Table 16 below, per pupil property tax revenues are not expected to keep pace with inflation. It is projected to fall further below the baseline each year.

Table 16 - Projected and Baseline Per Pupil Property Tax Revenues, 2005 - 2014

Fiscal Year	Projected Enrollment	Projected Revenue	Projected Revenue Per Pupil	Baseline Revenue Per Pupil	Per Pupil Shortfall Relative to Baseline	Total Shortfall Relative to Baseline
2005	11,101	\$27,343,520	\$2,463	\$2,463	-	-
2006	11,345	28,118,617	2,478	2,531	(\$52)	(\$594,951)
2007	11,595	28,905,468	2,493	2,600	(108)	(1,246,793)
2008	11,850	30,224,619	2,551	2,672	(121)	(1,438,421)
2009	12,111	31,606,281	2,610	2,745	(136)	(1,643,235)
2010	12,377	33,053,491	2,671	2,821	(150)	(1,861,993)
2011	12,650	34,569,431	2,733	2,899	(166)	(2,095,493)
2012	12,928	36,157,443	2,797	2,978	(181)	(2,344,576)
2013	13,212	37,821,034	2,863	3,060	(198)	(2,610,129)
2014	13,503	39,563,882	2,930	3,144	(214)	(2,893,085)

The cumulative shortfall, over ten years, between projected and baseline property tax revenues has a present value in excess of \$14 million. This difference doesn't account for any increases in per pupil school system expenditures required as a result of population growth. If population grows at the projected rate, the Lancaster County School District will likely need to expand classroom capacity. Those capital expenditures will increase the required baseline revenue, producing an even larger shortfall.

ENHANCED AND ALTERNATIVE REVENUE SOURCES

Who pays for growth? Slow to moderate population growth is usually subsidized by the entire community--newcomers and oldtimers alike – through the payment of property taxes and other taxes, fees, and charges. Political support for these subsidies dissolves as the cost of rapid growth increases and other growth-related issues become apparent, however. When this occurs, local governments and the public begin to question who should pay the public cost of growth.

As part of a national trend, local governments are looking for different tools to assign capital costs to those who are creating the expense. Historical methods used to pay for additional community infrastructure have included issuing tax-exempt bonds for new infrastructure and/or requiring developers to dedicate land, facilities, or funds for public services. In the last three decades, impact fees for capital costs have become a commonly used technique to capture some of the additional public costs of growth. All these methods have benefits and drawbacks.

Our analysis suggests that residential development in Lancaster County does not pay for itself. Specifically, we project that population growth over the coming decade will not generate new revenue sufficient to cover the costs of expanded public services required to serve the growing population. In response, the county should consider implementing one or more of the following methods of cost recovery.

SPECIAL TAX DISTRICTS

South Carolina law allows counties to levy property taxes in selected areas of the county for specific purposes, such as street lighting and recreation.¹⁸ These special tax districts (STDs) are usually associated with unincorporated portions of the county that benefit from a specific service, including larger residential developments. The county council sets the tax rate annually based on the revenue requirements of the public service provided to the STD. The St. Catherine and Sun City developments are STDs in Lancaster County. The county collects property tax revenue in these STDs for library services, fire protection and other services.

Under separate legislation, counties are allowed to create community recreation special tax districts where no other pre-existing STDs or special purpose districts provide such

¹⁸ South Carolina Code, sec. 4-9-30.

services.¹⁹ For example, six counties have created a community recreation special tax district to directly address recreation needs within specific communities (Berkeley, Darlington, Georgetown, Greenville, Lexington and Richland).²⁰

Compared to countywide taxation of property, STDs contain a smaller pool of taxpayers from which to draw revenue, but have a stronger relationship between the tax paid and the demand for the service provided.

DEVELOPMENT EXACTIONS

Lancaster County does not have an exaction ordinance but does require developer agreements for the provision of related infrastructure. Exactions are part of the development approval process where a local government requires a developer to provide either land within a subdivision for a public building or park, requires the developer to provide capital improvement in and around the development, or accepts cash in lieu of land or capital improvements.

These improvements can include internal roads, adjacent road widening and traffic signals, sewer and water lines, etc. and are usually set through a local formula. Exactions for capital improvements address on-site infrastructure needs but do not cover off-site public infrastructure such as emergency service facilities and libraries. The fees are usually set during a negotiation process between the developer and the local government. The process is popular with local officials because it provides lump-sum payments instead of a stream of payments and development is paying for itself. However, this method can be inconsistent and can be unfair to the developer. In addition, exactions are coming under increasing scrutiny from the courts.

BONDS

Bonds are commonly used by local governments for funding public facilities such as libraries, hospitals, schools, and recreation facilities. Bonds are a form of debt financing that provides local governments with access to the large sums of money required for capital projects. After the facility is constructed, bondholders are repaid over time with either general funds (in the case of general obligation bonds) or with funds generated by the facility itself (in the case of revenue bonds). Lancaster County uses general obligation bonds to finance a variety of capital projects.

Local government bonds that fund new infrastructure associated with residential development are becoming more controversial. The main concern is the fairness of long bond repayment terms to pre-existing residents. New homes generate demand for

¹⁹ South Carolina Code, sec. 4-20-10 et seq.

²⁰ South Carolina Association of Counties, *Alternate Sources of Revenue, Appendix B: Special Taxes/Fees Imposed by Counties* (Columbia, SC: South Carolina Association of Counties, 2004), <<http://www.sccounties.org/research/AltSources/AppBSpecialTaxesFees.pdf>>.

public services beyond the level needed to serve the current population. New or improved roads and schools are common examples. Existing residents contribute to debt service on the bonds through their tax payments, but depending on where they live, they may receive little or no benefit from the infrastructure constructed.

The equity issues associated with transferring new facility costs to existing residents are becoming a concern here in South Carolina. Richland 1 School District recently requested the state legislature to permit the use of school impact fees so that the district would not have to issue bonds for new school construction.

LOCAL SALES TAXES

Additional local sales taxes are new revenue options for Lancaster County to explore. Lancaster County already takes advantage of the one percent Local Option Sales Tax, which is used in a majority of counties in the state to roll back property taxes. In fiscal year 2002-03, Lancaster County collected nearly \$4.4 million in revenue from the Local Option Sales Tax.²¹

State law also permits counties to impose additional local sales taxes for capital projects and transportation facilities.²² Capital projects may include county, municipal, and school facilities and are limited to a maximum term of project completion or seven years, whichever is shorter. For transportation facilities, counties are allowed to establish a transportation authority that has the power to impose a local sales tax or a toll to finance specified projects. Local sales taxes for this purpose are terminated when they have raised sufficient funds for the project(s). Tolls may be imposed no longer than 25 years. Counties may not impose more than a combined rate of one percent in local sales taxes for capital and transportation purposes. As of December 31, 2003, seven counties had a sales tax for county or municipal capital projects and three counties had a sales tax for school projects. Beaufort County had used a sales tax for transportation, but it ended in 2000.²³

IMPACT FEES

Impact fees are an alternative form of financing on and off-site infrastructure that targets new residents and new businesses. Impact fees are a one-time, upfront charge imposed by a local government to recoup or offset a proportionate share of the cost of public infrastructure required to accommodate new growth. Impact fees are derived from the land development regulations and are a part of the local government's police powers. Impact fees are assessed in accordance with a predetermined standard formula

²¹ South Carolina Department of Revenue, *2002-2003 Annual Report* (Columbia, SC: Department of Revenue, 2004), <<http://www.sctax.org/NR/rdonlyres/ACE93C42-9454-4464-B425-DF3BAEA3A2FF/0/completepdffile.pdf>>.

²² South Carolina Code, sec. 4-10-300 et seq. (Capital Project Sales Tax Act) and sec. 4-37-10 et seq. (Optional Methods for Financing Transportation Facilities).

²³ South Carolina Department of Revenue, *2002-2003 Annual Report*.

that takes into account the estimated capacity and cost of the new facilities required. Impact fee formulas also allocate the cost to beneficiaries, which may be a combination of new and old residents.

The assessment of impact fees is based upon three important premises. First, there must be a reasonable connection between the need for a new facility and the growth resulting from new development. Second, there must be a reasonable connection between fee expenditures and benefits received by those paying the fee. And third, the fee charged must be proportional to the cost incurred to accommodate those paying the fee.

The *South Carolina Development Impact Fee Act* establishes the rules under which South Carolina communities can develop and implement an impact fee ordinance.²⁴ The act permits the assessment of impact fees for a number of public facilities that include: water and wastewater; solid waste and recycling; roads, streets and bridges; storm water; public safety facilities; capital equipment and vehicles over \$100,000; and parks, libraries, and recreational facilities. The act does not permit the assessment of school impact fees, usually the largest public facility cost of new residential development. The state requires a community to have a comprehensive plan or capital improvement plan before it can implement impact fees. In addition, the state requires the local government to conduct numerous studies. Developing and implementing an impact fee ordinance is not an easy process. Nevertheless, a number of South Carolina communities have adopted impact fee ordinances. The most comprehensive program is in the City of Mt. Pleasant.²⁵

There are positive and negative aspects to impact fees, as there are with the other techniques for financing the costs of new residential development. On the negative side, impact fees are inflexible and take time to develop and administer. Also, like most mechanisms they don't adequately capture all the public cost of new development. On the positive side, impact fees can be used for all types of development and add uniformity and fairness through a systematic process. Impact fees help keep property taxes lower by assigning costs to the end user; fee revenue is tied directly to the infrastructure demanded. They allow development to occur even when the local government cannot pay for new facilities through traditional methods. And sometimes, impact fees can even negate opposition to growth. There are a number of other factors associated with impact fees that cannot be addressed within this report format.

OTHER TAXES, FEES, AND CHARGES

South Carolina state law also permits counties to obtain revenue from a variety of fees and charges, including business license taxes, inspection fees, tourist infrastructure admissions taxes, and tax increment financing. These methods of raising revenue are

²⁴ South Carolina Code, sec. 6-1-910 et seq. (*South Carolina Development Impact Fee Act*)

²⁵ Mt. Pleasant, South Carolina Code of Ordinances, Chapter 154: Municipal Impact Fees.

targeted towards specific groups and/or are for specific purposes and may be more acceptable to county decisionmakers and taxpayers than general tax increases.

Lancaster County may be able to obtain additional revenues to address on- and off-site costs associated with rapid residential development by using some of the financing methods discussed above. How the county chooses to allocate the public costs of residential development among existing and new residents is critical to ensuring equity in taxation, adequate public services, and government fiscal stability. The decision must be fair and transparent so all parties can agree and support the same set of rules.

GROWTH MANAGEMENT OPTIONS

Most urban and suburban communities in South Carolina have adopted comprehensive land use plans and zoning ordinances.²⁶ In fact, South Carolina communities must have a comprehensive plan in place before they are allowed to implement zoning. These police power tools are used by counties and municipalities to manage growth by deciding what land use is most appropriate for specific locations and define the regulations for each zone. Lancaster County has both a comprehensive land use plan and zoning. The following are brief descriptions of different growth management options.

COMPREHENSIVE LAND USE PLANNING

A comprehensive land use plan serves as a guide for communities to adopt land use regulations. A comprehensive land use plan “generally includes at least (1) a statement of general goals and the specific objectives of the several functional elements composing the plan, and (2) a statement (usually in text and maps) of development and redevelopment proposals...”²⁷ for a specific timeframe. The plan does a good job at setting out the big picture guiding principles and development patterns of a community. However, a problem with comprehensive land use plans is that they address neither the rate nor timing of growth.

ZONING

Zoning is defined as “...public regulation for the use of land. It involves the adoption of ordinances that divide a community into various districts or zones. Each district allows certain uses of land within the zone, such as residential, commercial or industrial. Typical zoning regulations address building height, buildable lot area, setbacks, parking, signage and density.”²⁸ Zoning is very useful in defining what is allowed upon any given site. However, the regulations are sometimes very rigid and most ordinances do not allow for creativity in obtaining the best development.

²⁶ South Carolina Code, sec. 6-29-310 et seq. (*South Carolina Local Government Comprehensive Planning Enabling Act of 1994*)

²⁷ Edward J. Kaiser, David R. Godschalk, and F. Stuart Chapin, Jr., *Urban Land Use Planning*, 4th ed. (Champaign, IL: University of Illinois Press, 1995), p. 63.

²⁸ <<http://www.legaldefinitions.com>>.

MORATORIUM ON DEVELOPMENT

Pace University Law School defines a moratorium on development as “a local law or ordinance that suspends the right of property owners to obtain development approvals while the community takes time to consider, draft and adopt land use plans or rules to respond to new or changing circumstances not adequately dealt with by its current laws.”²⁹ A moratorium allows a community to maintain the status quo while it adopts a new program or strategy to meet a perceived problem. The suspension of property rights is a highly contentious act and may be challenged in the courts. Prior to any such action, a community needs to convincingly document that it is facing a true emergency.

URBAN GROWTH BOUNDARIES

Urban Growth Boundaries (UGBs) allow local governments to determine specific areas around a built community where public infrastructure services will be provided. Limiting water and sewer services, rather than extending them constantly to support development, enforces the boundary. The boundary is used as a tool to protect farmland and natural lands from development, promote the development and re-development of land within the urban core, and ensure that public service costs are used efficiently. The state of Oregon has had the most experience using Urban Growth Boundaries. They have not been utilized in South Carolina.

SMART GROWTH

“Smart Growth” refers to development practices that conserve open space, take advantage of existing urban infrastructure, and produce a more compact urban environment. These practices seek, in part, to combat sprawl... automobile-dependent development, highly segregated land uses, and lack of concentration around a central core area or city.”³⁰ Some of the attributes of Smart Growth are: walkable communities; a range of housing opportunities and choices; distinctive, attractive places and a strong sense of place; predictable, fair, and cost effective development decisions; mixed land uses; preservation of natural lands, farmlands, and critical environmental areas; and development directed toward strengthening existing communities and services. The state of Maryland and a host of other local governments have undertaken Smart Growth initiatives. The New Urbanism movement embodies many of these goals.

Residential growth is going to continue in Lancaster County and throughout the state of South Carolina; it is up to local governments to decide if and how it will be managed. The decision faced by Lancaster County officials and residents is how best to balance growth between the need for fiscal stability and quality of life issues, and the needs of the development community and new residents.

²⁹ Pace University, Pace Law School, definition of “moratorium on development,” <www.nymir.org/zoning/Glossary.html>.

³⁰ <http://www.knowledgeplex.org>, Topic: Smart Growth.

SUMMARY

Lancaster County is experiencing the effects of rapid residential growth. This growth is predicted to continue for the next 10 years with the bulk of the development occurring in and around the Indian Land community. During this time period, 80% of the new development is projected to be single-family homes. The cost-benefit model used in this report estimates that additional revenue from residential growth will cover most of the associated increase in county operating expenditures. Over \$4 million of new capital costs will not be covered from increasing revenues, however. In addition, per pupil property tax revenues of the Lancaster County School District are projected to fail to keep pace with inflation. The projected ten-year deficit has a present value in excess of \$14 million.

With this information, Lancaster County must decide what policies and tools it will use to address the estimated revenue shortfall. This report reviewed a number of different tools that can be used but it up to county citizens and decisionmakers how the county will grow and pay for development.

APPENDICES

APPENDIX A: ASSUMPTIONS AND PROJECTION METHODOLOGY

This appendix describes the assumptions and methodology used to estimate the increases in Lancaster County government expenditures and revenues associated with projected population growth during the ten-year period beginning in fiscal year 2005 and ending in fiscal year 2014.

EXPENDITURES

An increasing population requires greater expenditures of public funds to maintain the existing quality of public services. However, expenditures don't necessarily increase proportionately with the population. In other words, a ten percent increase in population won't necessarily increase expenditures by ten percent. Some public services such as public safety are highly dependent on personnel for service delivery. Prevailing wage rates and growth trends in wages and fringe benefit costs will drive future spending requirements in these areas. Other public services are more capital-intensive, and the anticipated cost of new facilities will be the main determinant of future spending.

We estimated the population-related increase in county spending in three stages. First we classified county activities by function (public safety, judicial administration, etc.). Next we allocated spending within each functional category into three expenditure types: operations, contract services, and capital. Finally we estimated the population-related increase in each expenditure type within each functional category.

ASSUMPTIONS

Projecting future expenditures required that we make certain assumptions about Lancaster County's future economic and demographic situation. Our primary assumptions concern the population growth rate, the inflation rate, and the discount rate to be used in computing present values of future expenditures.

Population Growth Rate. We assumed that Lancaster County population would grow at a rate of 2.2 percent per year over the ten-year period covered by our estimate. This

rate is based on a projection by the Catawba Regional Council of Governments.³¹ Their projection is based on recent trends in Lancaster County building permit activity.

Inflation Rate. The assumed inflation rate is based on data from the U.S. Department of Labor, Bureau of Labor Statistics (BLS). BLS data indicate that over the past ten years the average annual change in the consumer price index for Southern urban areas has been approximately 2.3 percent. We assumed a slightly higher rate of 2.75 percent because data from recent years indicates an upward trend. Most expenditures were assumed to increase at the same rate as inflation. Exceptions to this default assumption are explained in the description of projection methodology.

Present Values and the Discount Rate. We compare expenditures and revenues occurring over several years by converting them to present values. The present value of a future expenditure is the amount you would need to invest today to have the expenditure amount in the future. For example, if you wanted to have \$1,000 one year from now and could earn 2 percent on your investments, you would need to invest \$980.39 today, since $980.39 \times 1.02 = 1000.00$. We have used a discount rate of 2 percent in converting future expenditure and revenue amounts to present values.

EXPENDITURE PROJECTION METHODOLOGY

The three expenditure types are operating expenditures, contract service expenditures, and capital expenditures. The methods used to project expenditure increases of each type are described below.

Operating Expenditures. As Lancaster County population increases, additional employees will be required to maintain service quality at existing levels. Hiring additional employees will increase the amount of money spent on employee salaries, fringe benefits, and other expenditures related to department operations.

Population increases create a greater need for additional employees in some classifications than in others. We used data from the most recent wage and salary report³² produced by the South Carolina Association of Counties to determine which employee classifications are likely to require additional staffing to maintain service levels as the population increases. The report divides South Carolina counties by population into four groups and reports the number of employees in each classification for nearly all counties in the state. Lancaster County is in Group 2: counties with populations from 50,000 to 100,000. Group 1 consists of counties with populations greater than 100,000.

³¹ Catawba Regional Council of Governments, *Lancaster County Growth Trends* (Rock Hill, SC: Catawba Regional Council of Governments, 2003), <http://www.catawbacog.org/upload_images_HERE/Lancaster%20County%20Growth%20Trends.pdf>.

³² S.C. Association of Counties, *2004 Wage and Salary Report* (Columbia SC: S.C. Association of Counties, 2004), <<http://www.sccounties.org/research/WS/2004WageandSalaryReport.pdf>>

For each job classification we computed the number of employees per 10,000 residents for Lancaster County, for all other Group 2 counties, and for all Group 1 counties. We then identified the classifications in which staffing ratios remain approximately constant as population increases. We assumed that as population increased, enough new employees would be hired in each of those classifications to maintain staffing ratios at existing levels. The wage and salary report also provides information about salary ranges for each classification. We estimated salary expenditures for the new employees by assuming that each new employee would be paid a salary at the low end of the range reported for Lancaster County in the report.

We estimated fringe benefit expenditures by examining the relationship between fringe benefit and salary expenditures in recent-year budgets. For most departments, fringe benefit expenditures are approximately one-third of salary expenditures, though they range from as low as 28 percent to as much as 39 percent. We projected increases in fringe benefit expenditures by multiplying annual new salary expenditures in each department by the fringe benefit percentage for that department.

As departments increase their workload, non-personnel operating costs increase as well as salaries and fringe benefits. We projected these expenditures by a method similar to that used for projecting fringe benefits. We examined the relationship between non-personnel operating expenditures and salary expenditures reflected in recent-year budgets. For most departments, non-personnel operating expenditures have been between 20 and 30 percent of salary expenditures, though they have ranged from as low as 15 percent to almost 80 percent, depending on the department. We projected increases in non-personnel operating expenditures by multiplying annual new salary expenditures in each department by the non-personnel operating expenditure percentage for that department.

We also projected increases in vehicle expenditures associated with the addition of new employees, where applicable. When county staff reviewed our projected staffing increases, they provided information about additional vehicle requirements for new employees in each classification. We converted the estimated new vehicle cost per employee into an annual cost by dividing by the number of years between replacements. This annual expenditure was added to the other operating expenditures.

We assumed that salaries and other operating expenditures, except for fringe benefits, would increase at the same rate as inflation. BLS data indicate that in recent years the cost of state and local government employee benefits has increased at a rate that is more than four percentage points greater than the rate of inflation. Furthermore, the growth of benefit costs in excess of inflation has been increasing over the past decade; in 1994 employee benefits increased no faster than the rate of inflation. To account for the rapid growth in fringe benefit costs, we assumed that fringe benefit expenditures would increase at a rate six percentage points greater than the rate of inflation. Using this rate of growth for benefit costs implies that total operating expenditures will increase at a rate that is approximately 1.3 percentage points greater than the rate of inflation.

Contract Services Expenditures. Some departments provide services by contracting with other public or private entities. For example, the Public Works Department contracts for landfill and waste hauling services and the County Fire Commission provides funding to local fire departments. We projected that these expenditures, adjusted for inflation, will increase proportionately with the population.

Capital Improvement Expenditures. In consultation with county staff, we identified new facilities that will be needed to maintain service quality at existing levels. In some cases, county staff provided an estimate of the projected cost of the facilities. In other cases, we projected the costs by examining the book values of similar facilities already owned by the county.

REVENUES

As population increases, new construction and increased commercial activity expands the county's tax base. The expanding tax base and increased commercial activity lead to increases in county tax and non-tax revenues. The main revenue sources that are expected to grow with population are property taxes, sales taxes, and non-tax revenue.

We estimated population-related revenue increases in two stages. First, for each revenue source, we estimated the increase in tax base or commercial activity associated with the increase in population. Then, we estimated the increase in revenue associated with the increase in tax base or commercial activity.

ASSUMPTIONS

Projecting future revenues required that we make certain assumptions about Lancaster County's future economic and demographic situation. Our primary assumptions concern average household sizes, average new home values, and the percentage of new residences that are single-family homes. For population growth rate, the inflation rate, and the discount rate we used the same assumptions as in estimating expenditure increases.

Household Size. Census Bureau data indicate that from 1990 to 2000, average household size in Lancaster County declined from 2.7 to 2.6 persons per household. We assumed that average household size would remain constant at 2.6 persons per household during the period of the projection.

Home Value. Lancaster County building permit data indicate that real average new home value has ranged from a low of \$93,000 in 1996 to a high of \$178,000 in 2002. In 2003, the most recent year for which data is available, real average new home value was \$157,000. For the purposes of this study we assumed an initial average new home value of \$150,000. We assumed that the average new home value would increase annually at the inflation rate.

Proportion of Single-Family Residences. Lancaster County building permit data indicates that the proportion of new residential construction consisting of single-family residences has increased dramatically over the past several years. In 1996, approximately 20 percent of all new residential units consisted of single-family residences; the rest were multi-family or mobile home units. In 2003, the single-family percentage was greater than 72 percent. For the first quarter of 2004, the percentage was greater than 75 percent. For the purposes of this study, we assumed that single-family construction will make up 80 percent of new residential construction. The projected number of new households and single-family residences for each year are presented in Table 17.

Table 17 - Projected New Households and Single-Family Residences, 2005 - 2014

Fiscal Year	New households	New single-family residences
2005	541	433
2006	553	442
2007	565	452
2008	577	462
2009	590	472
2010	603	482
2011	616	493
2012	630	504
2013	643	515
2014	658	526
Total Increase	5,976	4,781

Tax Rates, Assessment Ratios, and Reassessment. For the purposes of this study, we assumed that property tax millage rates will remain at the levels reported in the Lancaster County budget for fiscal year 2003-04. We assumed that assessment ratios would remain as specified by existing law. We did not attempt to account for the effects of any reassessment to occur during the period under study on assessed property values.

REVENUE PROJECTION METHODOLOGY

Different estimation procedures were used for each revenue source. The methods used to project increases in revenue from each source are described below.

Property Tax Revenues. Property taxes are assessed on both real property and personal property. Real property includes owner-occupied residential property, commercial and rental property, agricultural property, and manufacturing and industrial property. Personal property includes vehicles owned by individuals and business personal property. Utility and motor carrier property is also taxed.

The population-related increases in property tax revenues from each class of property were estimated using the same overall process. First, we estimated the effect of population growth on total property valuation within the property class. Then we multiplied the valuation increase by the applicable assessment ratios. Finally we multiplied the increase in assessed valuation by the applicable millage rate to estimate the amount of new tax revenue. The methods used for each property class are discussed separately below.

Owner-occupied residential: We estimated the population-related increase in valuation of owner-occupied residential property for each year by dividing the projected annual population increase by the average household size to project the number of new households. The number of new households was multiplied by the single-family residential percentage to project the number of new single-family homes. The number of single-family homes was multiplied by the average new home value to project the annual increase in valuation. The assessed value was calculated by multiplying valuation by the assessment ratio. The cumulative increase in assessed value was used to project the increase in property tax revenue from taxes on owner-occupied housing.

Commercial and rental property: Commercial and rental property includes residential property occupied by non-owners and non-industrial business property. We observed that except for the effects of reassessment, real per capita valuation of commercial and rental property has been fairly stable over the last several years. We projected the population-related increase in valuation of owner-occupied residential property for each year by multiplying the annual population increase by the inflation-adjusted per capita assessed valuation. The assessed value was calculated by multiplying the valuation by the applicable assessment ratio. The cumulative increase in assessed value was used to project the increase in property tax revenue from taxes on commercial and rental property.

Agricultural property: Real per capita valuation of agricultural property has been declining over time, most likely because of residential development. We assumed there would be no population-related increase in property tax revenue from agricultural property.

Manufacturing property: Changes in real per capita valuation of manufacturing property depend on the decisions of manufacturing firms to locate new facilities within the county or to relocate facilities elsewhere. We assumed there would be no population-related increase in property tax revenue from manufacturing property.

Personal, business personal, utility, and motor carrier property: We observed that real per capita valuations of these classes of property have been relatively stable over the past several years. We estimated the population-related increases in revenue from taxes on these classes of property by the same method used for commercial and rental property.

Local Option Sales Tax Revenue. A large portion of the revenue from the local option sales tax (LOST) is used for property tax rollback, a portion of the remainder is shared with cities in Lancaster County, and the rest is available to be used for other county purposes. The revenue generated by the LOST depends on the level of net taxable sales within the county. Real per capita net taxable sales have been relatively stable over the past several years. We assumed that available LOST revenue after property tax rollback and sharing would grow proportionately with the population.

Non-tax Revenue. Non-tax revenue includes licenses and permits; charges for services; fines, fees and forfeitures; and other income. Real per capita revenue in each of these categories has been relatively stable over the past few years. We assumed that revenue in each category would grow proportionately with the population.

SCHOOL FINANCES

Projecting future per pupil property tax revenues for required that we make certain assumptions about Lancaster County School District's future enrollment levels and property tax revenues. We assumed that enrollment would remain at approximately 17 percent of county population, as it has been for the past several years. We used the projected increase in county assessed values to estimate future property tax revenue for Lancaster County Schools. We assumed that property tax millage rates will remain at the levels reported for fiscal year 2003-04. We assumed that assessment ratios will remain as specified by existing law. We did not attempt to account for the effects of any reassessment to occur during the period under study on assessed property values.

APPENDIX B: PROJECTION DETAILS

GENERAL ADMINISTRATION

**Table 18 - General Administration,
Base Year Operating Expenditure Assumptions by Employee Classification**

Classification	2004			Annual Vehicle	2004 Base Expenditure
	Base Salary	Fringe Benefit %	Non- personnel %		
Vehicle Mechanic	\$26,300	34.5%	39%	\$5,000	\$50,631
Accounting Clerk	27,200	28.5%	24%	-	41,480

**Table 19 - General Administration,
Projected Budget Impact of Staff Additions by Employee Classification, 2005 - 2014**

Fiscal Year	Vehicle Mechanic		Accounting Clerk		Total
	Number	Expenditure	Number	Expenditure	
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	1	\$50,588	\$50,588
2010	-	-	1	52,637	52,637
2011	1	\$66,295	1	54,769	121,063
2012	1	68,901	1	56,987	125,888
2013	1	71,611	1	59,295	130,906
2014	1	74,428	1	61,696	136,124

**Table 20 - General Administration,
Present Value of Projected Budget Impacts, All Types, 2005 - 2014**

Addition	Present Value
Staff Additions	
Vehicle Mechanics	\$237,497
Accounting Clerks	289,105
Total Staff Additions	526,602
Contract Services	0
Capital Improvements	0
Total Additions	\$526,602

PLANNING AND CODE ENFORCEMENT

**Table 21 - Planning and Code Enforcement,
Base Year Operating Expenditure Assumptions by Employee Classification**

Classification	2004				
	Base Salary	Fringe Benefit %	Non-personnel %	Annual Vehicle	2004 Base Expenditure
Bldg Inspector/ Code Enforcement	\$31,100	29.5%	13%	\$3,750	\$48,068
Planner	31,500	27.5%	34%	3,750	54,625

**Table 22 - Planning and Code Enforcement,
Projected Budget Impact of Staff Additions by Employee Classification, 2005 - 2014**

Fiscal Year	Vehicle Mechanic		Accounting Clerk		Total
	Number	Expenditure	Number	Expenditure	
2005	1	\$49,965	-	-	\$49,965
2006	2	103,878	-	-	103,878
2007	2	107,982	1	\$61,375	169,357
2008	2	112,250	1	63,808	176,058
2009	2	116,687	1	66,338	183,025
2010	2	121,301	1	68,969	190,270
2011	3	189,149	1	71,704	260,853
2012	3	196,632	1	74,550	271,182
2013	3	204,414	1	77,508	281,922
2014	3	212,506	1	80,586	293,092

**Table 23 - Planning and Code Enforcement,
Present Value of Projected Budget Impacts, All Types, 2005 - 2014**

Addition	Present Value
Staff Additions	
Bldg Inspector/ Code Enforcement	\$1,245,548
Planner	494,835
Total Staff Additions	1,740,383
Contract Services	0
Capital Improvements	0
Total Additions	\$1,740,383

TAX ADMINISTRATION

**Table 24 - Tax Administration,
Base Year Operating Expenditure Assumptions by Employee Classification**

Classification	2004				
	Base Salary	Fringe Benefit %	Non-personnel %	Annual Vehicle	2004 Base Expenditure
Appraiser	\$30,000	28.5%	11%	\$3,750	\$45,600
Auditor Clerk	19,000	34.0%	46%	-	34,200
Treasurer Clerk	22,000	34.0%	46%	-	39,600

**Table 25 - Tax Administration,
Projected Budget Impact of Staff Additions by Employee Classification, 2005 - 2014**

Year	Appraiser		Auditor Clerk		Treasurer Clerk		Total
	Number	Expenditure	Number	Expenditure	Number	Expenditure	
2005	3	\$142,194	-	-	-	-	\$142,194
2006	3	147,803	-	-	-	-	147,803
2007	3	153,634	-	-	-	-	153,634
2008	3	159,698	-	-	-	-	159,698
2009	3	166,003	-	-	1	\$48,295	214,298
2010	3	172,558	-	-	1	50,251	222,810
2011	3	179,375	1	\$44,253	1	52,287	275,914
2012	3	186,463	1	45,913	1	54,404	286,779
2013	3	193,833	1	47,634	1	56,607	298,074
2014	3	201,496	1	49,421	1	58,900	309,817

**Table 26 - Tax Administration,
Base Year Capital Improvements Unit Cost Assumptions**

Item	2004 Unit Cost
Computer System Upgrade	\$200,000

**Table 27 - Tax Administration,
Projected Budget Impact of Capital Improvements, 2005 - 2014**

Fiscal Year	Computer System Upgrade
2005	-
2006	-
2007	-
2008	-
2009	-
2010	\$235,354
2011	-
2012	-
2013	-
2014	-

**Table 28 - Tax Administration,
Present Value of Projected Budget Impacts, All Types, 2005 - 2014**

Addition	Present Value
Staff Additions	
Appraiser	\$1,502,147
Auditor Clerk	158,111
Treasurer Clerk	276,002
Total Staff Additions	1,954,260
Contract Services	0
Capital Improvements	
Computer System Upgrade	208,987
Total Capital Improvements	208,987
Total Additions	\$2,163,247

JUDICIAL ADMINISTRATION

**Table 29 - Judicial Administration,
Base Year Operating Expenditure Assumptions by Employee Classification**

Classification	2004				
	Base Salary	Fringe Benefit %	Non-personnel %	Annual Vehicle	2004 Base Expenditure
Magistrate	\$48,000	32.5%	30%	-	\$78,000
Clerk	24,000	32.5%	30%	-	39,000

**Table 30 - Judicial Administration,
Projected Budget Impact of Staff Additions by Employee Classification, 2005 - 2014**

Fiscal Year	Magistrate		Clerk		Total
	Number	Expenditure	Number	Expenditure	
2005	-	-	1	\$40,580	\$40,580
2006	-	-	1	42,223	42,223
2007	1	\$87,866	2	87,866	175,732
2008	1	91,425	2	91,425	182,849
2009	1	95,127	2	95,127	190,255
2010	1	98,980	2	98,980	197,960
2011	1	102,989	2	102,989	205,977
2012	1	107,160	3	160,739	267,899
2013	1	111,500	3	167,249	278,749
2014	2	232,031	3	174,023	406,054

**Table 31 - Judicial Administration,
Present Value of Projected Budget Impacts, All Types, 2005 - 2014**

Addition	Present Value
Staff Additions	
Magistrate	\$806,073
Clerk	931,232
Total Staff Additions	1,737,305
Contract Services	0
Capital Improvements	0
Total Additions	\$1,737,305

LAW ENFORCEMENT

**Table 32 - Law Enforcement,
Base Year Operating Expenditure Assumptions by Employee Classification**

Classification	2004				
	Base Salary	Fringe Benefit %	Non-personnel %	Annual Vehicle	2004 Base Expenditure
Uniform Patrol	\$25,000	35.5%	18%	\$5,500	\$43,875
Detective	28,700	35.5%	18%	5,500	49,555
Supervisor	34,800	35.5%	18%	5,500	58,918

**Table 33 - Law Enforcement,
Projected Budget Impact of Staff Additions by Employee Classification, 2005 - 2014**

Year	Uniform Patrol		Detective		Supervisor		Total
	Number	Expenditure	Number	Expenditure	Number	Expenditure	
2005	2	\$91,304	-	-	-	-	\$91,304
2006	3	142,503	1	\$53,650	-	-	196,152
2007	4	197,699	1	55,823	-	-	253,521
2008	5	257,132	1	58,083	-	-	315,215
2009	6	321,055	1	60,436	1	\$71,855	453,345
2010	8	445,410	1	62,883	1	74,765	583,058
2011	9	521,380	2	130,860	1	77,793	730,033
2012	10	602,773	2	136,160	1	80,944	819,877
2013	11	689,904	2	141,675	1	84,222	915,801
2014	12	783,104	2	147,412	1	87,633	1,018,149

**Table 34 - Law Enforcement,
Base Year Capital Improvements Unit Cost Assumptions**

Item	2004 Unit Cost
Law Enforcement Substation	\$350,000

**Table 35 - Law Enforcement,
Projected Budget Impact of Capital Improvements, 2005 - 2014**

Fiscal Year	Law Enforcement Substation
2005	-
2006	-
2007	-
2008	\$390,117
2009	-
2010	-
2011	-
2012	-
2013	-
2014	-

**Table 36 - Law Enforcement,
Present Value of Projected Budget Impacts, All Types, 2005 - 2014**

Addition	Present Value
Staff Additions	
Uniform Patrol	\$3,524,680
Detective	738,016
Supervisor	410,643
Total Staff Additions	4,673,339
Contract Services	0
Capital Improvements	
Law Enforcement Substation	360,408
Total Capital Improvements	360,408
Total Additions	\$6,836,586

FIRE AND EMS

**Table 37 - Fire and EMS,
Base Year Operating Expenditure Assumptions by Employee Classification**

Classification	2004				
	Base Salary	Fringe Benefit %	Non-personnel %	Annual Vehicle	2004 Base Expenditure
EMS Technician	\$28,700	35.5%	23%	\$5,000	\$50,490
Admin/Billing	22,000	30.0%	23%	-	33,660
Supervisor	36,000	35.5%	23%	-	57,060

**Table 38 - Fire and EMS,
Projected Budget Impact of Staff Additions by Employee Classification, 2005 - 2014**

Year	EMS Technician		Admin/Billing		Supervisor		Total
	Number	Expenditure	Number	Expenditure	Number	Expenditure	
2005	2	\$104,939	-	-	1	\$35,023	\$139,962
2006	2	109,055	1	\$61,420	1	36,442	206,917
2007	3	170,002	1	63,723	1	37,918	271,642
2008	4	235,567	1	66,113	1	39,453	341,133
2009	5	306,022	1	68,592	1	41,051	415,665
2010	6	381,653	1	71,164	2	85,427	538,244
2011	6	396,651	2	147,665	2	88,887	633,203
2012	7	480,951	2	153,203	2	92,487	726,641
2013	8	571,273	2	158,948	2	96,233	826,454
2014	9	667,964	2	164,908	2	100,130	933,003

**Table 39 - Fire and EMS,
Projected Increase in Contract Services Expenditures, 2005 - 2014**

Fiscal Year	Payments to Local Fire Departments Projected Annual Increase
2005	\$21,068
2006	42,828
2007	65,301
2008	88,507
2009	112,466
2010	137,200
2011	162,730
2012	189,080
2013	216,272
2014	244,329

Note: Amounts are based on 2003-04 per capita expenditures of \$14.59

**Table 40 - Fire and EMS,
Base Year Capital Improvements Unit Cost Assumptions**

Item	2004 Unit Cost
EMS Substation	\$350,000

**Table 41 - Fire and EMS,
Projected Budget Impact of Capital Improvements, 2005 - 2014**

Fiscal Year	EMS Substation
2005	-
2006	-
2007	\$379,676
2008	-
2009	-
2010	-
2011	-
2012	434,833
2013	-
2014	-

**Table 42 - Fire and EMS,
Present Value of Projected Budget Impacts, All Types, 2005 - 2014**

Addition	Present Value
Staff Additions	
EMS Technician	\$2,983,371
Admin/Billing	833,069
Supervisor	573,564
Total Staff Additions	4,390,004
Contract Services	
Payments to Local Fire Departments	1,113,261
Total Contract Services	1,113,261
Capital Improvements	
EMS Substations	728,903
Total Capital Improvements	728,903
Total Additions	\$6,232,168

TRANSPORTATION

**Table 43 - Transportation,
Base Year Operating Expenditure Assumptions by Employee Classification**

Classification	2004			Annual Vehicle	2004 Base Expenditure
	Base Salary	Fringe Benefit %	Non-personnel %		
Equipment Operator	\$27,000	39.5%	77%	\$23,750	\$82,205

**Table 44 - Transportation,
Projected Budget Impact of Staff
Additions by Employee Classification, 2005 - 2014**

Fiscal Year	Equipment Operator	
	Number	Expenditure
2005	1	\$85,226
2006	1	88,360
2007	1	91,613
2008	2	189,976
2009	2	196,982
2010	2	204,252
2011	3	317,697
2012	3	329,443
2013	4	455,513
2014	4	472,385

**Table 45 - Transportation,
Projected Increase in Contract Services Expenditures, 2005 - 2014**

Fiscal Year	County Transportation Commission Projected Annual Increase
2005	\$19,486
2006	39,612
2007	60,397
2008	81,860
2009	104,019
2010	126,895
2011	150,508
2012	174,878
2013	200,028
2014	225,979

Note: Amounts are based on 2003-04 per capita expenditures of \$13.49

**Table 46 - Transportation,
Present Value of Projected Budget Impacts, All Types, 2005 - 2014**

Addition	Present Value
Staff Additions	
Equipment Operator	\$2,116,527
Total Staff Additions	2,116,527
Contract Services	
Transportation Services	1,029,647
Total Contract Services	1,029,647
Capital Improvements	0
Total Additions	\$3,146,174

SOLID WASTE/ANIMAL CONTROL

**Table 47 - Solid Waste and Animal Control,
Base Year Operating Expenditure Assumptions by Employee Classification**

Classification	2004 Base Salary	Fringe Benefit %	Non- personnel %	Annual Vehicle	2004 Base Expenditure
Truck Driver	\$27,000	38.5%	30%	\$37,500	\$82,995
Convenience Center Attendant	12,000	38.5%	30%	-	20,220
Animal Control Officer	22,000	38.5%	30%	3,750	40,820
Animal Control Custodian	15,000	38.5%	30%	-	25,275

**Table 48 - Solid Waste and Animal Control,
Projected Budget Impact of Staff Additions by Employee Classification, 2005 - 2014**

Year	Truck Driver		Convenience Center Attendant		Animal Control Officer		Animal Control Custodian		Total
	Number	Expenditure	Number	Expenditure	Number	Expenditure	Number	Expenditure	
2005	-	-	1	\$20,978	-	-	1	\$26,223	\$47,201
2006	-	-	1	21,765	-	-	1	27,206	48,971
2007	1	\$91,929	1	22,581	-	-	1	28,226	142,737
2008	1	95,123	1	23,428	-	-	1	29,285	147,836
2009	1	98,433	1	24,306	1	\$49,505	1	30,383	202,627
2010	1	101,861	1	25,218	1	51,454	1	31,522	210,055
2011	2	210,825	1	26,164	1	53,480	1	32,705	323,173
2012	2	218,184	1	27,145	1	55,587	1	33,931	334,847
2013	2	225,810	1	28,163	1	57,778	1	35,203	346,954
2014	2	233,710	1	29,219	1	60,056	1	36,523	359,508

**Table 49 - Solid Waste and Animal Control,
Projected Increase in Contract Services Expenditures, 2005 - 2014**

Fiscal Year	Landfill	Collection	Total
2005	\$1,255	\$11,981	\$13,235
2006	2,550	24,355	26,906
2007	3,889	37,135	41,024
2008	5,271	50,331	55,602
2009	6,697	63,956	70,653
2010	8,170	78,021	86,192
2011	9,690	92,540	102,230
2012	11,260	107,524	118,783
2013	12,879	122,987	135,866
2014	14,550	138,943	153,492

Note: Amounts are based on 2004 per capita expenditures of \$0.87 for Landfill and \$8.29 for Collection

**Table 50 - Solid Waste and Animal Control,
Base Year Capital Improvements Unit Cost Assumptions**

Item	2004 Unit Cost
Animal Control Shelter	\$100,000

**Table 51 - Solid Waste and Animal Control,
Projected Budget Impact of Capital Improvements, 2005 - 2014**

Fiscal Year	Animal Control Shelter
2005	\$102,750
2006	-
2007	-
2008	-
2009	-
2010	-
2011	-
2012	-
2013	-
2014	-

**Table 52 - Solid Waste and Animal Control,
Present Value of Projected Budget Impacts, All Types, 2005 - 2014**

Addition	Present Value
Staff Additions	
Truck Driver	\$1,104,534
Convenience Center Attendant	222,297
Animal Control Officer	282,141
Animal Control Custodian	277,871
Total Staff Additions	1,886,843
Contract Services	
Landfill	66,294
Collection	633,078
Total Contract Services	699,372
Capital Improvements	
Animal Control Shelter	100,735
Total Capital Improvements	100,735
Total Additions	\$2,686,950

RECREATION

**Table 53 - Recreation,
Base Year Operating Expenditure Assumptions by Employee Classification**

Classification	2004				2004 Base Expenditure
	Base Salary	Fringe Benefit %	Non-personnel %	Annual Vehicle	
Recreation Worker	\$20,000	30.0%	15%	-	\$29,000

**Table 54 - Recreation,
Projected Budget Impact of Staff Additions
by Employee Classification, 2005 - 2014**

Fiscal Year	Recreation Worker	
	Number	Expenditure
2005	-	-
2006	-	-
2007	1	\$32,668
2008	1	33,991
2009	2	70,736
2010	2	73,600
2011	2	76,581
2012	3	119,524
2013	3	124,365
2014	4	172,536

**Table 55 - Recreation,
Base Year Capital Improvements Unit Cost Assumptions**

Item	2004 Unit Cost	Quantity	2004 Total Unit Cost
Ball Field	35,400	6	\$212,400
Soccer Field	29,500	2	59,000
Tennis Court	17,700	2	35,400
Land (per acre)	25,000	40	1,000,000
Total Facility Cost			\$1,306,800

**Table 56 - Recreation,
Projected Budget Impact of Capital Improvements, 2005 - 2014**

Fiscal Year	Recreation Facility
2005	-
2006	-
2007	-
2008	\$1,456,587
2009	-
2010	-
2011	-
2012	-
2013	-
2014	-

**Table 57 - Recreation,
Present Value of Projected Budget Impacts, All Types, 2005 - 2014**

Addition	Present Value
Staff Additions	
Recreation Workers	\$605,893
Total Staff Additions	605,893
Contract Services	0
Capital Improvements	
Recreation Facility	1,345,661
Total Capital Improvements	1,345,661
Total Additions	\$1,951,554

LIBRARY

**Table 58 - Library,
Base Year Operating Expenditure Assumptions by Employee Classification**

Classification	2004 Base Salary	Fringe Benefit %	Non- personnel %	Annual Vehicle	2004 Base Expenditure
Branch Operating Expenditures	\$155,000	0.0%	0%	-	\$155,000

**Table 59 - Library,
Projected Budget Impact of Library Expansion,
Operating Expenditures, 2005 - 2014**

Fiscal Year	Branch Operating Expenditures	Total
2005	-	-
2006	-	-
2007	-	-
2008	\$181,677	\$181,677
2009	189,035	189,035
2010	196,691	196,691
2011	204,657	204,657
2012	212,945	212,945
2013	221,570	221,570
2014	230,543	230,543

**Table 60 - Library,
Base Year Capital Improvements Unit Cost Assumptions**

Item	2004 Unit Cost
Library Branch Facility	\$1,850,000

**Table 61 - Library,
Projected Budget Impact of Capital Improvements, 2005 - 2014**

Fiscal Year	Library Branch Facility
2005	-
2006	-
2007	-
2008	\$2,062,049
2009	-
2010	-
2011	-
2012	-
2013	-
2014	-

**Table 62 - Library,
Present Value of Projected Budget Impacts, All Types, 2005 - 2014**

Addition	Present Value
Staff Additions	
Branch Operating Expenditures	\$1,248,151
Total Staff Additions	1,248,151
Contract Services	0
Capital Improvements	
Library Branch Facility	1,905,015
Total Capital Improvements	1,905,015
Total Additions	\$3,153,166

PROPERTY TAX VALUATION AND REVENUE

Table 63 - Estimated Increases in Total and Assessed Values and Revenue, Real Property, 2005 - 2014

Fiscal Year	Owner-Occupied Residential				Business/Commercial			
	Total	Ratio	Assessed	Revenue	Total	Ratio	Assessed	Revenue
2005	\$66,662,764	0.04	\$2,666,511	\$178,656	\$15,668,227	0.06	\$940,094	\$62,986
2006	136,665,665	0.04	5,466,627	366,264	32,552,388	0.06	1,953,143	130,861
2007	210,176,062	0.04	8,407,042	563,272	50,725,254	0.06	3,043,515	203,916
2008	287,369,698	0.04	11,494,788	770,151	70,263,572	0.06	4,215,814	282,460
2009	368,431,120	0.04	14,737,245	987,395	91,248,268	0.06	5,474,896	366,818
2000	453,554,125	0.04	18,142,165	1,215,525	113,764,666	0.06	6,825,880	457,334
2011	542,942,218	0.04	21,717,689	1,455,085	137,902,719	0.06	8,274,163	554,369
2012	636,809,102	0.04	25,472,364	1,706,648	163,757,251	0.06	9,825,435	658,304
2013	735,379,186	0.04	29,415,167	1,970,816	191,428,209	0.06	11,485,693	769,541
2014	838,888,124	0.04	33,555,525	2,248,220	221,020,932	0.06	13,261,256	888,504

Note: Estimated value increases are cumulative amounts; estimated revenue increases are annual amounts.

Table 64 - Estimated Increases in Total and Assessed Values and Revenue, Personal Property, 2005 - 2014

Fiscal Year	Personal Property				Business Personal Property			
	Total	Ratio	Assessed	Revenue	Total	Ratio	Assessed	Revenue
2005	\$7,990,796	0.0750	\$599,310	\$40,154	\$1,417,975	0.105	\$148,887	\$9,975
2006	16,601,718	0.0675	1,120,616	75,081	2,945,991	0.105	309,329	20,725
2007	25,869,880	0.0600	1,552,193	103,997	4,590,636	0.105	482,017	32,295
2008	35,834,422	0.0600	2,150,065	144,054	6,358,853	0.105	667,680	44,735
2009	46,536,617	0.0600	2,792,197	187,077	8,257,968	0.105	867,087	58,095
2000	58,019,980	0.0600	3,481,199	233,240	10,295,702	0.105	1,081,049	72,430
2011	70,330,387	0.0600	4,219,823	282,728	12,480,196	0.105	1,310,421	87,798
2012	83,516,198	0.0600	5,010,972	335,735	14,820,031	0.105	1,556,103	104,259
2013	97,628,386	0.0600	5,857,703	392,466	17,324,253	0.105	1,819,047	121,876
2014	112,720,676	0.0600	6,763,241	453,137	20,002,394	0.105	2,100,251	140,717

Note: Estimated value increases are cumulative amounts; estimated revenue increases are annual amounts.

**Table 65 - Estimated Increases in Total and Assessed Values and Revenue,
Utility and Motor Carrier Property, 2005 - 2014**

Fiscal Year	Personal Property				Business Personal Property			
	Total	Ratio	Assessed	Revenue	Total	Ratio	Assessed	Revenue
2005	\$253,825	0.105	\$26,652	\$1,786	\$26,636	0.095	\$2,530	\$170
2006	527,349	0.105	55,372	3,710	55,339	0.095	5,257	352
2007	821,749	0.105	86,284	5,781	86,233	0.095	8,192	549
2008	1,138,270	0.105	119,518	8,008	119,448	0.095	11,348	760
2009	1,478,222	0.105	155,213	10,399	155,122	0.095	14,737	987
2000	1,842,988	0.105	193,514	12,965	193,400	0.095	18,373	1,231
2011	2,234,024	0.105	234,573	15,716	234,435	0.095	22,271	1,492
2012	2,652,867	0.105	278,551	18,663	278,387	0.095	26,447	1,772
2013	3,101,137	0.105	325,619	21,816	325,428	0.095	30,916	2,071
2014	3,580,539	0.105	375,957	25,189	375,736	0.095	35,695	2,392

Note: Estimated value increases are cumulative amounts; estimated revenue increases are annual amounts.

**Table 66 - Estimated Increases in Total and Assessed Values and Revenue,
All Property Types, 2005 - 2014**

Fiscal Year	Total Valuation	Assessed Valuation	Property Tax Revenue
2005	\$92,020,223	\$4,383,983	\$293,727
2006	189,348,450	8,910,344	596,993
2007	292,269,814	13,579,243	909,809
2008	401,084,263	18,659,213	1,250,167
2009	516,107,317	24,041,374	1,610,772
2010	637,670,861	29,742,179	1,992,726
2011	766,123,979	35,778,939	2,397,189
2012	901,833,836	42,169,872	2,825,381
2013	1,045,186,599	48,934,145	3,278,588
2014	1,196,588,401	56,091,924	3,758,159

NON-TAX REVENUE

Table 67 - Estimated Increases in Non-Tax Revenues, 2005 - 2014

Fiscal Year	Licenses & Permits	Service Charges	Fines & Fees	Other	Total Non-tax
2005	\$23,572	\$37,871	\$22,518	\$9,807	\$93,768
2006	48,973	78,681	46,783	20,375	194,812
2007	76,313	122,606	72,900	31,750	303,569
2008	105,707	169,831	100,979	43,980	420,497
2009	137,277	220,552	131,137	57,115	546,082
2010	171,152	274,976	163,496	71,208	680,833
2011	207,466	333,319	198,186	86,317	825,289
2012	246,363	395,811	235,343	102,500	980,017
2013	287,992	462,693	275,110	119,820	1,145,616
2014	332,513	534,221	317,639	138,343	1,322,715

Note: Amounts based on recent-year average per capita revenue of \$16.32 for Licenses and Permits, \$26.22 for Service Charges, \$15.59 for Fines and Fees, and \$6.79 for Other.

LOCAL OPTION SALES TAX REVENUE

Table 68 - Net Local Option Sales Tax Assumptions

Classification	2000 Base
Net Taxable Sales per capita	\$6,890
Rollback	75%
Municipal Share	31%

**Table 69 - Estimated Increases in
Net Local Option Sales Tax Revenue, 2005 - 2014**

Fiscal Year	Net LOST Revenue
2005	\$16,916
2006	35,144
2007	54,764
2008	75,858
2009	98,513
2010	122,823
2011	148,883
2012	176,796
2013	206,670
2014	238,619

APPENDIX C: CENSUS TRACT MAP

Figure 1 - Lancaster County Census Tract Map

