

Indiana Land Resources Council Meeting
Thursday April 28, 2016

1:07pm Melissa Rekeweg called the meeting to order.

1:08 Introductions: Board Members

David Kovich – builder/developer

Kara Salazaar – Purdue land use

Beth Tharp – Legan Livestock

Jeff Healy – IASWCD, Bunning Engineering

Steve Eberly – Warren County economic development, county commissioner

Matt Williams – The Nature Conservancy

1:16 Director McKinney remarks

Why are we here?

Economic development surge due to business climate

To balance the needs of communities

To assist in productive local development

Overview of ISDA divisions

1:28 Jamie Palmer AICP Legislative Update (See attachment)

HEA 1025: Alternate Zoning Procedure

SEA 324: Construction Permits and Regulation

HEA 1017: Publications of Notice by Political Subdivision

HEA 1298 Annexation

HEA: 1001: Road Funding

SEA 308: Local Tax Matters

SEA 347: Water Matters

Study committee for IFA for water utility needs/usage/planning

HEA 1075: Constructed Wetlands

Exemption for constructed wetlands when sewage moves into area

1:42 Tamara Ogle and Paul Ebner, Purdue University CFO Study

Collected ordinances from counties, compared zoning tools

Surveyed plan directors and Purdue Extension Educators on:

Changes to zoning, what drove the changes

Jan 2016 Report:

Characterization of provisions for CFOs

Looked at buffers, setbacks near certain sites

What systems counties use for zoning

Drivers of Zoning Changes

Looked at disagreements during changes

County Factsheets

Standards for CFOs

County demographics (housing, population, farmland)

Regulations, terminology on CFOs

Pre-application permit with buffer zone

Site scoring system indicated if used in county

Some counties use ag zoning clauses in zoning

Preliminary Observations

- Zoning provisions are often indicator of issues in county
- Ag activity notices indicate counties are thinking about development
- Setbacks are arbitrary

Future Direction

- What standards/provisions are most effective
- Survey of producers, mapping studies
- Comparing rules to the science

Questions/Input

David K: have CFOs increased?

Paul: big increase in the last 20 years; majority of animals in IN raised indoors
Also depends on number of animals

Andy Tauer: 1,700 IDEM regulated CFOs

Steve Eberly: would be interesting to see the growth in conservation practices

Matt Williams: what types of sites are recreational areas?

Tamara O: depends how county defines it

Commissioner Meece: infrastructure/access issues should be considered

Tamara: there are certainly other barriers to development and transportation

Melissa R: is infrastructure on any pre-application zoning forms?

Tamara: some of the ordinances require transportation plans but didn't

specifically ask to see those applications. Only 5 counties use them so might be interesting to see how they're used/what they ask.

David B: non-zoning ordinances can create issues because some counties have other regs in other codes. Would be interesting to see health/building codes

Paul: would be worth looking into, very time consuming

Commissioner Meece: on the project that got stalled IEDC said they would help if the business was coming from IL but since it was already here, no help.

David K: is there a time on the pre-application permit?

Tamara: about 12-18 months

Jeff H: is that public?

Tamara: most have the notice in the application but all are different

David B: how does the comp plan correlate with the zoning plan?

Paul: would be a good to look into

Melissa R: could we find out what counties felt there was the least conflict on zoning changes and see if they have best practices? How are they handling that?

Paul: all survey answers must be protected so we can't ask those practices because it would make the respondent personally identifiable. Would need bigger sample size

Tamara: We could perhaps do a case study on how counties adopt

2:16 David Bausman: ILRC History

Model Zoning Ordinances: 2008/09

Many have been adopted, shows counties look to the board for ideas

Multiple Ag Districts

- Tiered structure that reflect different types of modern ag

- Provides a chapter on each to discuss intent, use, standards

Site Scoring System

- Creates objective standards that helps avoid BZA appeals

Recognizes the differences in farms that provides options for score
Limited Use w/ Development standards

Clear development standards within ordinance itself versus having
applicant go through a special exception process. Avoids subjective factors of a special exception
process.

Agricultural Zoning Tools

New residential dwelling as special use in ag zone
Reciprocal separation distance to promote CFO growth
Agricultural Clause to put individuals on notice of ag districts
Odor setback guidelines, Purdue setback model

Regulatory Authority

Indiana Home Rule Statute IC 36-1-3-8

Preemptions

Express – a state law that explicitly prohibits local regulation

Implied – state has stepped in and filled the regulatory field

Local Government decides “the where”

State Government decides “the how”

Cost of Community Services Study

Snapshot look of costs versus revenue for each type of land use
Agriculture averages .243 meaning it is a net revenue contributor

ISDA County Assistance

Land Use and Zoning Presentations

Technical Assistance

Testify at Planning Meetings

2:39 Roundtable Discussion: Where do we go from here?

Kara S: Purdue would like to look at developing training and resources for land use.

Beth T: do we have a way to assess how many counties have used these resources?

David B: we could do a comparison to see

Melissa: How often should a COCS need to be updated/reviewed?

David B: we could reach out to Dr. DeBoer and see whether we could do an
update

Tamara: would be useful to wait until 308 farm assessment changes have fully
taken place

Steve E: Is there a benchmark category of land resources vocabulary? I think we could
benefit from a planning perspective from more intellectual discussion than either/or in terms of
use

David B: one of the thing we discussed is putting together a survey for local officials,
industry groups to see what local needs are. Could be a hot topics list that could go out in fall
after the Council has a chance to review at July meeting. Have groups present.

Jeff H: who would you reach out to?

David B: Commissioners, counties, farm bureau, soy/corn, Purdue

David K: can we develop the list now? Suggest builders Assoc.

Melissa: include pork, cities/towns

David B: IDEA, TNC

Steve E: Indiana Dairy

Melissa: we can wait if to hear from these groups before commissioning study

Melissa: Jeff and David will pursue Purdue study comparison

David will investigate terms and uses before next meeting

David K: Will we get a full set of minutes and when?

David B: within a couple weeks and present for approval at next meeting. Also leave your mileage/per diem sheets

Kara: Will we receive copies of presentations?

David B: Yes.

Melissa: Please let us know if July 21st works for next meeting. Let us know if you have ideas for presentations or educational discussions we could have in future meetings.

Jeff H: Could we get a listing/review of summer study committees? And what they are tasked with.

2:57 Meeting Adjourned

Indiana Land Resource Council
State Legislative Update: Land Use Issues
April 28, 2016

HEA 1025 Alternate Zoning Procedure

- Intended to allow a faster zone map change (rezoning) process
- Allows counties, cities, and towns to adopt ordinance that involves the legislative body in a zone map change (rezoning) only with the request of an aggrieved party

SEA 324 Construction Permits and Regulation

- Provides deadlines for the ISDH to issue commercial onsite wastewater system construction permits and conduct plan reviews for certain projects and to issue if permit review exceeds deadline.
- Allows a person to apply for a construction permit from the department and a design release from the division of fire and building safety (division) by submitting a single application to the division.
- Limits duplicate fees for projects that may receive a design release from state and a local government.
- Requires the fire protection and building safety commission (commission) to adopt policies and rules to promote preservation and use of downtown commercial buildings located within designated historic districts.

HEA 1017 Publication of notice by political subdivisions

- Establishes a “locality newspaper” for the purposes of publishing public notices.

HEA 1298 Annexation

- Fundamental changes made to the annexation statute in 2015.
- Annexation for land adjacent to public highways
- Reduced the public information meetings from 6 to 3 for annexation initiated by landowners
- Establishes that owners whose properties are subject to a valid waiver of remonstrance cannot file a remonstrance
- Sets deadlines for county auditor forwarding a remonstrance petition and a municipality providing information about waivers of remonstrance.
- Requirement that fiscal plan include the information provided to each property owner and about know waivers of remonstrance
- Additional non-contiguous annexation in Kosciusko County

HEA 1001 Road Funding

- Funds the third Regional Cities project
- Establishes the local road and bridge matching grant fund. Preference for projects of regional economic significance. 50% of grants must go to counties under 50,000 population.

HEA 1001 Road Funding (cont.)

- Transfers certain state reserves to transportation funding, including local road and street matching grant fund.
- Dedicates 14% of sales tax (FY 2018) up to 21% (FY 2019 on) on fuel to local road and street matching grant fund.
- Allows counties with an asset management plan to increase wheel tax
- Allows cities and towns with 10,000+ population to adopt a wheel tax
- Establishes the Funding Indiana's Roads for a Stronger, Safer Tomorrow Task Force that will, in part, verify local road and bridge needs and develop a long term plan. Due by the end of 2016.
- Appropriates \$500K to LTAP to assist with the development of local government asset management and pavement management plans

SEA 308 Local Tax Matters

- New procedure for determining agricultural assessed value
- Increases the assessed value per acre of classified forest land, classified windbreaks, and classified filter strips from \$1 per acre to \$13.29 per acre for the January 1, 2017, assessment date. For assessment dates after January 1, 2017, increases the assessed value by the annual percentage change in the consumer price index.

County Regulation of Confined Feeding Operations in Indiana: An Overview

JANUARY 2016 REPORT

BACKGROUND:

- 81 Indiana counties have adopted planning and zoning.
- Sixty-four counties have zoning ordinances that regulate or set provisions for confined feeding operations (CFOs).
- In May 2015, Purdue Extension was commissioned by the State of Indiana to characterize zoning ordinances across Indiana as they apply to CFOs.

WHAT WE DID:

- We collected all zoning ordinances to examine the different standards and provisions related to CFOs.
- We surveyed plan directors and Purdue Extension Educators to provide more details on CFO standards and learn of any recent or proposed changes to their zoning ordinances.

OUR JANUARY 2016 REPORT:

- Compares common tools used by plan commissions to regulate CFOs including setbacks, buffers, site-scoring systems, and more.
- Provides individual factsheets for each county describing the standards and provisions used to regulate CFOs.
- Our report comparing standards across counties as well as each county factsheet can be found at: ag.purdue.edu/ansc/Documents/Purdue_CFO_County_Standards_and_Provisions_Jan_2016.pdf.
- For more info: Paul Ebner, 765-494-4820, pebner@purdue.edu.

Inventory of Zoning Provisions for Confined Feeding Operations in Indiana County Ordinances

OVERVIEW OF ZONING PROVISIONS USED TO REGULATE CFOs IN INDIANA


Eighty-eight percent of Indiana's 92 counties currently have adopted both planning and/or zoning in some form⁹. Of the counties ordinances included in this study (n = 80)¹⁰, 64 zoning ordinances currently contain language specific to CFOs¹¹. Counties have the capacity to define specific regulations or standards as they see appropriate, provided these regulations do not interfere with existing state laws or regulations. While there are many intricacies to planning and zoning in Indiana, the zoning provisions and processes typically used to regulate CFOs (e.g., setbacks, buffer distances, etc.) are described below.

First, counties designate zoning districts and define the land uses permitted in those districts. Uses can be permitted by right or by special exception (sometimes referred to as a conditional use or special use). Uses permitted by right must adhere to district and use standards or developmental standards as stated in the ordinance, but they are not required to go before the plan commission or board of zoning appeals for approval.

Special exceptions allow counties to review the details and site of a particular application to make sure it is compatible with their comprehensive plan and zoning ordinance. Special exceptions must go before the board of zoning appeals for approval (IC 36-7-4-918.2). Criteria for considering a special exception are set in the zoning ordinance or by rule of the BZA. Some counties use a general set of criteria while others set criteria specific to the use (ILRC, 2014). When setting criteria for a CFO, some counties may consider factors such as county road conditions, buffers or screening, or whether it is harmonious with neighboring uses.

White County

These standards include the basic standards for the Agricultural Industry district where they are stricter than the Agricultural district because this is the only district where a CFO could locate and land would have to be rezoned. Additional district standards may apply; see ordinance for details.

	Farmland Coverage 89.15% land in farmland	Population 24,453
	Top Employer Industries Manufacturing, Government and Government Enterprises	County Type Rural County
ZONING DISTRICT ¹		PERMITTED USE/SPECIAL EXCEPTION
Agricultural Industry (A-2)		Permitted Use
REZONE REQUIRED: YES		

ADDITIONAL STANDARDS

Use standards for CFOs beyond zoning district's standards unless otherwise specified.

SETBACKS

Right of Way (ft)	None
Property Line (ft)	None

BUFFERS²

Zoning Districts (ft)	All non-agricultural districts: 1,320
Municipal Boundary (ft)	5280
Residential Line (ft)	1320
Exception for farm house	Yes
Religious Institution (ft)	None
School (ft)	None
Recreational Areas (ft)	None
Business (ft)	1320
Other Buffered Uses (ft)	None

APPLICATION PROCESS REQUIREMENTS

- Only checked processes are required.
- Pre-application permit required
 - Site plan required
 - Development plan review
 - Other Processes
 - Site scoring system

Model Agricultural Zoning Ordinances

With growth comes a need to review existing zoning regulations to ensure that a framework is in place to integrate modern agriculture into local communities. Counties across Indiana are seeking guidance on how to update their zoning ordinances to minimize conflicting uses and ensure that agriculture remains a strong component of the county's economy. Accordingly, one of the first initiatives of the Indiana Land Resources Council (ILRC) was to develop model agricultural zoning ordinances. The ILRC is an advisory council appointed by the Governor to assist local and state decision-makers with land use tools and policies.

After considerable research, discussion, and three public listening sessions, the ILRC voted to recommend three sets of model regulations for consideration by Indiana counties:

Multiple Agricultural Districts

The multiple tiered agricultural zone structure is a division of land currently zoned agricultural to reflect different types of modern agriculture. When there are proactive determinations made regarding where certain types of agriculture will occur, it offers residents moving into an agricultural zone greater predictability of the types of agriculture that will occur nearby. It also clearly indicates to producers where their type of agricultural business is welcome and supported by local planning policies.

Site Scoring System

The site scoring system is a mechanism to approve local application for a new livestock facility through achievement of a predetermined score based on a series of objective criteria. The score requirement is used in conjunction with minimal setbacks. This approach recognizes the difference in farms by providing many options to meet the minimum score.

Limited Use with Development Standards

In a limited use approach, objective development standards are set forth within the zoning ordinance as conditions to a permitted use rather than having a special exception process for new agricultural operations. This approach provides an applicant with clear guidance on what is expected from the plan commission to receive local approval. These standards should be science based, such as using proven odor abatement measures as an option to reduce a maximum separation distance.

In recommending these models, the Council intends to offer a resource to assist Indiana counties, not to preempt the local power and duty to set land use policy. There are many different strategies to accommodate the land use needs of a community. The best approach for each county will be tailored to its unique characteristics.

The three model ordinances can be found in the ILRC's publication, *A Guide for Local Land Use Planning: Model Agricultural Zoning Ordinances*, available through the Indiana State Department of Agriculture and at www.in.gov/isda.

To achieve effective agricultural zoning, several tools must be used in conjunction. The following tools are used throughout the model agricultural zoning ordinances published by the Indiana Land Resources Council:

Odor Setback Guidelines

Odor control is a major concern of local government in regulating livestock facilities. The use of atmospheric air to dilute odors from livestock facilities by appropriate setback distances is still the most popular and cost-effective strategy to reduce odor nuisance. However, the determination of science-based odor setbacks for livestock facilities is a difficult and complex problem with only limited supporting data.

A simple-to-use, site-specific setback guideline was developed by Purdue University for swine production systems. This guideline considers facility size, orientation and shape, wind frequency, land use, topography, building design and management, manure handling characteristics, and odor abatement effectiveness. Odor emission factors were based in part on actual odor emission measurements from livestock buildings.

The Odor Setback Guideline can be accessed from the Purdue Agricultural Air Quality Laboratory (PAAQL) website: <http://pasture.ecn.purdue.edu/~odor/setback.html>.

Reciprocal Separation Distance

When a community is revising its agricultural zoning ordinance, provisions for non-conforming agricultural and residential uses are critical. Traditionally, a separation distance has been established for proximity of a new livestock facility to an existing residence. This is important and has been utilized throughout the model ordinances. The reciprocal separation distance includes an additional requirement for the proximity of a new residence to an existing livestock facility. This is an effective tool to protect non-conforming, pre-existing uses of land and to minimize the potential for conflicting land uses.

Agricultural Clause

A key principal of effective zoning regulation is promoting notification. An agricultural clause has the advantage of putting individuals who are moving to an agricultural zone on notice that they may experience noise, dust, and odor associated with generally accepted farming practices. This can be used as a condition to a permitted use, or in conjunction with a special exception for residential development in an ag zone.

It is important to note that use of an agricultural clause does not preclude the ability of a landowner to sue for nuisance. The landowner can still file a nuisance action and the presiding judge takes the agricultural clause under consideration. The judge will determine whether the farm operator has been negligent. In making this determination, the judge will consider whether that operator is engaging in generally accepted farming practices in compliance with applicable regulations. Several states have used the agricultural clause as an effective notification tool.

Examples of ordinances that implement these tools can be found in the Indiana Land Resource Council's publication, *A Guide for Local Land Use Planning: Model Agricultural Zoning Ordinances*, available through the Indiana State Department of Agriculture and at www.in.gov/isda.

State vs. Local Regulatory Authority for Confined Feeding Operations

Planning and zoning are local land use functions in Indiana. However, state and federal laws and regulations can preempt, or overrule, local laws and ordinances in two ways. **Express preemption** occurs when a state or federal law explicitly states that a county cannot regulate a particular subject matter. **Implied preemption** occurs when the law does not explicitly state whether it was meant to preempt local laws; however, the regulatory system is so comprehensive that intent of the legislature is implied to preclude local regulation in that area.

With regard to livestock production, limitations on local zoning authority apply to state environmental programs administered by the Indiana Department of Environmental Management (IDEM) and the Office of the Indiana State Chemist (OISC). These agencies comprehensively regulate Indiana livestock producers with programs based upon stringent environmental quality standards to protect human health. Limitations on local zoning regulation of livestock production are governed by the Home Rule statute¹ and the Commercial Fertilizer Law.²

Home Rule Statute

Indiana's Home Rule statute grants local government units "all the powers that they need for the effective operation of government as to local affairs."³ The Home Rule statute gives local government broad authority, stating that "any doubt as to the existence of a power of a [county, municipality, or township]⁴ shall be resolved in favor of its existence."⁵

Despite the broad authority given to local governments, there are several exceptions in the Home Rule statute that set forth limitations. One of these exceptions involves local regulations that affect existing state regulations. The Home Rule statute specifies that local governments do not have "the power to regulate conduct that is regulated by a state agency, except as expressly granted by statute."⁶ Under this provision, state regulatory authority preempts local zoning authority in Indiana unless a statute expressly delegates the regulatory authority to the local government unit.

Commercial Fertilizer Law

The Indiana Commercial Fertilizer Law expressly preempts local regulation of fertilizer, which by statutory definition includes animal manure.⁷ Under the Commercial Fertilizer Law, a local unit of government "does not have authority to regulate by ordinance the storage and utilization of fertilizer material" unless it submits proposed manure application regulations to the OISC and receives approval.⁸

Court Decisions

Indiana courts have drawn a distinction between county ordinances that merely restrict the use of land versus those that attempt to regulate the conduct of an operation. Ordinances that control the specific uses of land have been found a valid exercise of local

zoning authority.⁹ However, ordinances that attempt to regulate the environmental impacts of an operation have been preempted by the limitation on Home Rule.¹⁰ Indiana courts have also addressed county authority to implement environmental protection regulations that are stricter than state requirements.¹¹ These court decisions have consistently held that to the extent a county ordinance attempts to regulate conduct that a state agency already regulates, the ordinance is preempted and unenforceable.¹²

The comprehensiveness of the state regulatory programs in these cases is similar to IDEM's program for confined feeding operations. IDEM regulates the design, construction, and maintenance requirements for manure storage structures and sets forth operational requirements for livestock facilities through detailed nutrient management and manure application requirements. Therefore, it is likely that a court would find that local government is preempted by state regulation from imposing more stringent design and operational standards on confined feeding operations

Conclusion

It is helpful to remember that local governments play a critical role in determining *where* a livestock barn may locate while the State has the authority to regulate *how* livestock farms must operate to protect public health and safety. For example, implementing setback requirements and minimum lot sizes are traditional land use tools utilized by counties to regulate the location of livestock farms. Contrarily, an ordinance that mandates the use of a biofilter, an anaerobic digester, or manure injections, without any tie to the location of the facility or a reduction in setback or lot size, could be considered a regulation over how the farm operates or how a facility is constructed, and such regulation would likely be determined as preempted by the state's authority over the design and construction of confined feeding operations and manure storage facilities.

Additionally, local governments should be aware that the Indiana State Board of Animal Health has comprehensive regulations applicable to livestock production in the areas of disease control, food safety, and animal disposal. While these issues do not often relate directly to zoning regulations, it is important to know that these programs exist when facing questions on local regulation of animal care.

References

1. Ind. Code. § 36-1-3 (2014);
2. Ind. Code § 15-16-2 (2014);
3. Ind. Code § 36-1-3-2 (2014);
4. Ind. Code § 36-1-2-23 (2014);
5. Ind. Code § 36-1-3-3 (2014);
6. Ind. Code § 36-1-3-8(7) (2014);
7. Ind. Code § 15-16-2-11 (2014);
8. Ind. Code § 15-16-2-50 (2014);
9. *O'Banion v. Shively*, 253 N.E.2d 739, 745 (Ind. App. 1970);
10. *Triple G Landfills*, 774 F. Supp. at 532. *Hopkins*, 769 N.E.2d at 608;
11. *Triple G Landfills v. Bd. of Comm'rs of Fountain Cty*, 774 F. Supp. 528 (S.D. Ind. 1991). *Hopkins v. Tipton Cty Health Dept.*, 769 N.E.2d 604 (Ind. Ct. App. 2002). *Bd. of Comm'rs of LaPorte Cty v. Town & Country Utilities*, 791 N.E.2d 249 (Ind. Ct. App. 2003);
12. *Triple G Landfills*, 774 F. Supp. at 532. *Hopkins*, 769 N.E.2d at 604. *Bd. of Comm'rs of LaPorte County*, 791 N.E.2d at 255.

ILRC FACTSHEET: COST OF COMMUNITY SERVICES DATA AND THE LOCAL PLANNING PROCESS

Cost of Community Services (“COCS”) studies are a case study approach used to determine the fiscal contribution of existing land uses on local government budgets. These studies do not prescribe a course of action, but simply provide an assessment of a community’s fiscal situation with regard to different types of land use.¹ COCS studies are a snapshot in time of costs versus revenues for each type of land use. They provide a baseline of current information to help local officials and citizens make informed land use and policy decisions. COCS studies are helpful in understanding the relationships between residential and commercial growth, agricultural land use and the community’s bottom line.² This data is critical when planning for the future balance and placement of growth in a community.

METHODOLOGY

In a COCS study, researchers compare the local government service costs, or expenditures, or appropriations, to revenues collected to pay for those costs. Generally, researchers use three sectors for the comparisons: residential, agricultural and business. Residential development includes all housing, such as rentals. Agricultural land includes farm and forest lands and other open spaces. Business development includes commercial, industrial and utility uses.

COCS studies findings are displayed as a set of ratios that compare annual revenues to annual expenditures for a community’s unique mix of land uses. The ratio tells whether each group “gets what they pay for.” If the ratio of the costs of services to revenues paid is greater than one, it implies that these taxpayers receive more in service value than they pay (or impose

more costs on local governments than they support). If the ratio is less than one, it implies that taxpayers pay for more than they receive.

COMPREHENSIVE PLANNING AND COCS DATA

COCS studies provide valuable information for local governments to use in planning for future growth. There is a high price to pay for unplanned growth. Scattered development and sprawl can cause traffic congestion, air and water pollution, loss of open space and increased demand for costly public services. By anticipating impacts of growth through understanding demand for services in relation to tax revenue generated, informed decisions can be made with regard to balancing land uses.

Almost all COCS studies show the residential sector with ratios greater than one, and the agricultural and business sectors with ratios less than one. Although there are many factors on the revenue and expenditure side that can impact the ratios, there is an extensive amount of evidence that communities that proactively plan for growth have lower residential COCS ratios.³ Examples of proactive planning for growth include ordinance standards to manage rural residential development and non-regulatory techniques such as placement of sewer and transportation infrastructure.⁴

An assessment of the fiscal contribution of existing land uses is an important tool that can be used along with other data in the comprehensive planning process to achieve the following objectives:

¹ Kotval, Z. and J. Mullin, *Fiscal Impact Analysis: Methods, Cases, and Intellectual Debate* (Working Paper). 2006, Lincoln Institute of Land Policy: Cambridge, MA 02138-3400, USA.

² Farmland Information Center, *Fact Sheet Cost of Community Services*, American Farmland Trust (Aug. 2007).

³ Kotval, Z. and J. Mullin, *Fiscal Impact Analysis: Methods, Cases, and Intellectual Debate* (Working Paper). 2006, Lincoln Institute of Land Policy: Cambridge, MA 02138-3400, USA. p. 27.

⁴ Kelly, E., *Managing Community Growth*, 2nd Ed. 2004, Praeger; Westport, CT. p. 77.

- Encourage new development of all types to take place in areas which it will be most economical to provide required services;
- Maintain a healthy mix of land uses, which provide places for people to live, work and play; and
- Preserve and protect those lands essential to the long term success of fiscally beneficial agriculture.

The COCS data should be utilized in the context of a comprehensive planning process that also considers: local demographic and economic trends; the availability and condition of public facilities necessary to serve new development; the topographic and ecological character of the jurisdiction; activities of other governmental agencies that influence local growth, ranging from INDOT to local school corporations; and quality-of-life data, as well as the community's aspirations and concerns.

LIMITATIONS OF COCS STUDIES

COCS results measure the revenue payments and the costs of services received of existing taxpayers. They offer the benefit of hindsight to see the fiscal effect of development patterns to date. The results are not sufficient for measuring the effect on local budgets of an additional specific development. This is because the ratios indicate the total, rather than marginal, costs of development patterns to date. Evaluating the marginal cost requires a different kind of analysis, called a fiscal impact analysis, which projects public costs and revenues for a specific development. The balance of revenues and expenditures for a specific development may be different than that of the land class as a whole. The marginal fiscal impact will depend on factors such as existing infrastructure and the location of the development. For example, the cost of a residential development may be high if it requires new infrastructure or it may be fiscally

beneficial if it diffuses the cost of existing infrastructure.

It is also important to note that the purpose of a COCS study is to focus exclusively on payment of taxes and receipt of government services. The ratios will not reflect the economic multiplier effect for each type of land use. For example, it will not include the economic multiplier effect of residential taxpayers through their patronage of local businesses. In addition, the ratios do not reflect the interdependence of land uses, such as the fact that residential development creates demand for new businesses in a community.

For more information, please visit the Indiana Land Resources Council website at <http://www.in.gov/isda/2545.htm>

INDIANA LAND RESOURCES COUNCIL PUBLICATION