An Excerpt From:

An Economic Study: Looking at a Master-Planned Community and its …

- Fiscal Impacts
- Opportunity Costs
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- Economic Impacts

As A Model for "True Cost Accounting" in Florida Communities

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Title Page

An Economic Study: Looking at a Master-Planned Community as a …

Model for "True Cost Accounting" in Florida Communities

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Introduction

This study analyzes the community revenues and expenses generated by a master-planned community in Lee County, Florida. The community has been recognized as one of the top developments in the country in its market appeal, ranking number 14 overall in a national survey that rates the speed at which people buy homes in master-planned communities around the country.[1] It also gained recognition for the measures that were taken to ensure existing wetlands and wildlife habitats could be restored, retained, and turned into an asset for the development.

When the master-planned community was designed and built, its impact on local governmental services and schools was a major consideration. Approval of its development plan by the Board of County Commissioners in Lee County, Florida, was based on a requirement that it be fiscally neutral to county-subsidized facilities and services.[2]

The county mandated that development remain, at a minimum, revenue neutral. In other words, property taxes and fees paid by the developer, residents, and businesses in the master-planned community would have to at least match the expenses incurred by the infrastructure improvements needed to accommodate the master-planned community within the community and provide the public services that its new residents and employees would require, so that none of these costs would be borne by the county.

The master-planned community has done even better than that. This study shows that for every dollar contributed in revenue from property within the master-planned community, 80 cents is a surplus to the county. Only 20 cents out of every dollar in revenue generated is used to provide services to the master-planned community. The surplus can then be used to subsidize other areas or programs in the County that are not producing revenues to meet the expenditures required to maintain the level of services.

This study is different from a fiscal impact analysis that is based on projections. The fiscal impact portions of this study use real costs and revenues for the year 2000. They also account for ALL operating revenues and costs that can be attributed to the master-planned community. The result is clear: The master-planned community makes a positive contribution to the financial resources available to the county and schools.

However, this finding should be considered only in its proper context. The fiscal impact portions of this study are "a snapshot in time." Results are reported for the year 2000. The findings are not projected forward, to speculate on how the findings might change over time, nor are comparisons made with prior years. The findings only apply to the master-planned community and are not representative of Lee County.

One of the reasons the master-planned community makes such a positive fiscal contribution is because it included very few families with school-age children at the time the study was conducted. Lee County's single most expensive public service is the schools. This study shows that just one school-aged child in a housing unit will create a

deficit – when viewed on the basis of average, aggregate numbers.

This study also shows that the mix of residents that make up the "demographic profile" of a development – that is, the descriptors of the characteristics of its human population and population segments, such as median age, number of school-age children, income, etc. – has a major impact on the revenues and expenses generated. If the demographic mix of the master-planned community was to change, with more, younger families with children, significant changes could occur in the findings reported by this study.

Until now, the impact of demographics on the revenues and expenses that are generated by different types of development (and the differences that can occur in the demographic profile of a development or local community over time) have not been adequately emphasized in the fiscal impact models that are in current use around the country.

These types of analyses can benefit policy makers in any local community for the following three reasons:

1. It allows policy makers to see the fiscal impacts of the current mix of land uses in the local community – both as individual components standing alone (as with this study, for example), and as a whole when all the components are combined together in the local community (through a community-wide or countywide analysis of data).

2. It allows policy makers to better understand the impacts of proposed additions and changes to the local community, as a result of new applications pending review and approval, or changes in existing uses, and to see how individual projects will impact the local community as a whole and how all pending projects will impact the local community on a cumulative basis.

3. Finally, it allows policy makers to ask, "What if?" For example, what if more low-income houses were built? What fiscal impacts would result from these housing units? What could be done to offset any deficits that are generated? On the other hand, what if more expensive houses also were built at the same time? Would the two changes, taken together, balance each other out?

The methodology selected for this study varies from other fiscal impact analyses in two ways:

a) A disaggregate allocation approach was taken to determine the revenues and expenditures. "Per parcel," "per improved parcel" and "per capita" were the allocation methods chosen. This approach was used in order to be more accurate as to the sources of revenue and the beneficiaries of expenses.

   For example, costs related to the property appraiser are directly related to a parcel, not the number of people who use or occupy that parcel. The work involved in generating a record for a parcel is the same whether there are two people living or working on the parcel or six people. The work involved is for one parcel, regardless. All allocation decisions for this study were made by

thoroughly examining the Lee County Revenue Manual that describes the sources and uses of revenues. Care was taken to determine which items of revenue and cost were related to number of people, or to some other unit of measurement, such as number of parcels.

A per capita approach is easier to calculate, but by checking the sources of revenues and the uses of expenses, allocations can be based on the units of measure that are the most appropriate for each type of land use, which provides more realistic and accurate results.

b) All funds from the County's Budget Manual were used, including Capital Project Funds, Special Revenue Funds, and Enterprise Funds in order to ensure that no source of revenue or expense was overlooked. Although not every fiscal impact study may include all funds, it is the opinion of the authors that all funds need to be analyzed.

For example, the Capital Project Fund needs to be part of this study since the residents and businesses within the master-planned community contribute to its revenue and utilize its capital projects. According the Lee County Budget Book for FY 01-02, the major sources of revenue for the Capital Improvements Program are ad valorem taxes, interest, impact fees for parks and roads, grants, tourist taxes, enterprise funds, project bond proceeds and gas taxes. After discussion with county officials, it was determined that the only item that The master-planned community would not contribute would be tourist taxes due to special rental restrictions. Consequently, tourist taxes were not included in this analysis. It is a reasonable assumption that residents and businesses in the master-planned community would contribute to all of the other types of revenue, which were included in the analysis. Capital projects consist of such things as roads, parks, libraries, water resources and sewer improvements. Again, all of these items would be utilized by residents and businesses in the master-planned community.

Enterprise funds are sometimes not included in fiscal impact studies since they are generally used to account for operations that are supported by user charges. However, the authors felt it was important to include them in this study since the study looks at just one portion of the whole county – the master-planned community – and the intent of the study is to determine the contribution that each type of land use in the master-planned community makes to revenues and expenses. If the Enterprise Funds are self-supporting for the county as a whole it does not necessarily mean that the expenditures in one portion of the county provide residents with a benefit equal to the revenues contributed by that area to the Enterprise Fund's operations. Therefore, although it might make sense to not include Enterprise Funds in a countywide study, it would not make sense to exclude them in a study of one portion of the county. Additionally, the Lee County Budget Book states that Enterprise Funds are primarily supported through user charges, indicating that there may be a portion that is not self-supporting, and the authors did not want to exclude that portion.

Part 1

Study Overview

Summary of Findings

This study consists of six sections:

Analysis 1 - *The Fiscal Impacts of Demographics in the master-planned community*
Analysis 2 - *The Fiscal Impacts of Housing Type & Value in the master-planned community*
Analysis 3 - *The Fiscal Impacts of Different Land Uses in the master-planned community*
Analysis 4 - *Opportunity Cost in the master-planned community: What is Gained & What is Foregone When One Land Use is Converted to Another*
Analysis 5 - *Infrastructure Expenses - How They're Being Paid Through Impact Fees*
Analysis 6 - *Contribution to the Lee County Economy by the Construction, Sale and Re-sale of Homes in the master-planned community*

This study revealed two major findings:

Major finding – for every $1 generated in revenues, properties in the master-planned community contribute $0.80 in surplus to the County. Only $0.20 is used for the services required.

This finding reflects the surplus created as a result of comparing the total of all public revenues generated by the master-planned community to the costs incurred for all public services provided to the master-planned community by Lee County and the Lee County School District.

This finding also can be broken down and reported in two other ways: (1) by revenues and costs associated with just County services and (2) by revenues and costs associated with just schools:

1. For every $1 generated in County revenues, properties in the master-planned community require $0.33 in services provided by Lee County, thus generating a surplus of $0.67 for County government.

2. For every $1 generated in school revenues, properties in the master-planned community require only $0.01 in services provided by the Lee County School District, thus generating a surplus of $0.99 for county schools.

Second major finding – The master-planned community has a positive fiscal impact, not just because of the types or values of homes in the master-planned community, but because of the *demographic make up* of the people who were living in the master-planned community at the time of the study.

The general findings of each analysis are listed below:

Analysis 1 - Demographics. The mix of residents who live in the master-planned community differ from the typical demographic make up of most housing developments in Lee County. There are three major differences:

1. The master-planned community includes a very high percentage of seasonal residents, who only live in their homes part time (72% of residents in the master-planned community are seasonal versus 15% for the county as a whole)[3].
2. There were only 4 school-aged children living in the master-planned community at the time of the study.
3. The average number of people living in each housing unit is lower (an average of 1.91 people per household versus an average of 2.29 people per household in the county as a whole).

The result is higher-than-usual revenues and lower-than-usual expenses for necessary public services. This profile, in turn, generates a significant surplus of revenues over expenses for governmental services and schools.

Analysis 2 - Housing Type & Value. The master-planned community has a range of housing types and prices. Expenses increase as the number of people and school aged children living in each residence increase; revenues increase as taxable value and the incomes of residents increase. Because the master-planned community has a low average number of people per household, few school age children, contains homes with relatively high prices, and tends to attract affluent homeowners, in comparison to countywide averages, housing units in the master-planned community generate a surplus of revenues over expenses.

Analysis 3 - Land Uses. The mix of land uses and amenities in the master-planned community is more diverse than the typical housing development. This mix maximizes market appeal and values, which translates into higher sales prices and, in turn, generates more revenues for the county and schools. (For details on studies that have been conducted around the U.S. showing a direct relationship between close proximity to natural areas, market appeal and price, see Endnote[4]). Again, the net effect is a surplus of revenues for governmental services and schools.

Analysis 4 - Opportunity Cost. Some land uses within the master-planned community will generate more revenue and contribute more dollars to the economy on a per acre basis over time than other uses. However, the effects of land uses that appear to have a low dollar return, such as open space, wildlife habitats, wetlands and recreation areas, have a positive effect on adjacent land uses, and *impart* a higher value and higher return on investment to these adjacent land uses. Hence, it is the *combination* of land uses in the master-planned community that enhances its overall value to the economy, not just one individual land use alone.

Analysis 5 - Infrastructure Expenses. Infrastructure consists of roads, fire, emergency medical services and schools. The master-planned community has gained self-sufficiency

by paying for off-site road improvements required by the project and the impact fees it generates more than offset the cost of the infrastructure needed to support it in most cases. These site improvements and infrastructure costs have been shifted from a public expense to a private expense that is reflected in the prices of the housing units in the master-planned community.

Analysis 6 - Economic Contribution. The master-planned community has a positive impact on the local economy as a result of its design, construction and home sale activities. The construction of Phase II, and the ongoing sale and re-sale of homes within the master-planned community, will continue contributing to the local economy for years to come.

Although not part of this study, the fact that the master-planned community' residents have a higher-than-average disposable income also has an impact on other service sectors in the regional economy by providing sales tax revenues and increasing demand for goods and services.

In addition to the analytical findings of this study, two general findings are worth noting:

1. Changes in demographics and housing prices over time will change the findings of this study. It should be noted in particular that anything with a small basis can be misleading since even minor changes in small numbers can create large percentage changes. One example of this is the school age children figure. There were 4 school children in the master-planned community at the time of the study. If that number expands to 8 children, it still is a small number but represents an increase of 100%.

2. It was enormously difficult to collect complete data that was consistent from one source to the next for all of the analyses in this study. This is because:

    a) Only a few departments track the data needed in the format necessary;
    b) The data collected by one department may not be completely consistent with the data collected by another department; and
    c) The data that is available is often only part of the data that is needed to complete the analyses for a study of this type.

    It would be beneficial for the county to sanction a study of this kind and to assist the consultants with getting all the necessary data, in the correct form, from the right person in each department. Each additional analysis that is included in a study requires more and different kinds of data. This compounds the problems with gaps in data and data that are not consistent from one source to the next.

Although the results of this study on the master-planned community are very positive, these results cannot be considered in isolation from the rest of the local community, or in isolation from the rest of the county.

In the end, Lee County, as a region will be successful in attaining fiscal balance, providing services to all populations, and creating a strong economic climate, not solely because of developments like the master-planned community, but because the *cumulative* effect of ALL land use decisions (including the master-planned community in combination with areas like Lehigh Acres) produces a positive result.

These findings are significant. Here's why:

Residential housing developments are known for creating fiscal deficits, since they typically require a large amount of public capital investments and public services that cost more (sometimes far more) than the revenues they generate through property taxes and other fees.

The master-planned community is different. There are three reasons why the master-planned community has such a positive impact on a local community's public fiscal resources:

First, The master-planned community has relatively high property values. The average sales price for a single family home in the master-planned community, based on 265 sales in the year 2000, was $368,437. The average price for a multi-family unit was $172,728, based on 273 sales over the same 12-month period. The average sale price of all residential units sold during this period was $269,127.[5] This helps to generate a surplus of revenues to pay for public services.

Second, The master-planned community was approved with a beneficial mix of land uses – single-family homes, patio/villa homes and multi-family units ranging in price from $110,000 to over $1 million, plus nature preserves, wetlands, recreational lands, community facilities, golf courses, retail, office, town center and a hotel – all of which contribute to the overall ambiance of the community, serve to enhance property values, strengthen market appeal, and through the enhanced tax base, generates a surplus of revenues for governmental agencies and schools.

Third, The master-planned community was designed to appeal primarily to seasonal and retired residents, many of whom do not require public services when they are not present, and the vast majority of whom do not have school-aged children, which reduces the demand (and costs) for school facilities. A survey conducted by the developer shows that 72% of the people who live in the master-planned community are seasonal residents (compared with 15% on a countywide basis).

Taken together, all of these factors result in a significant surplus of revenues over expenses. The most important factor by far, however, is the relative lack of school-aged children in the master-planned community.

Lee County's single most expensive public service is schools. Here are some numbers to put this impact into perspective:

1. School revenues represent 25% of total county and school income. [6]

2. School expenses represent 38% of total county and school expenditures.
3. Lee County has 55,000 full-time equivalent school-aged children who attend public schools.[7]
4. The average annual expense associated with each school-age child runs $7,650 per year; in a household with two school-age children the expense is $15,300.[8] (It should be noted that capital costs are not included in the per student expenses.)
5. The average sales price for a housing unit in the master-planned community for the year 2000 was $269,000.[9] The average taxable value of all housing units in the master-planned community in the year 2000 was $207,924. (Note: taxable value, which the county uses to set tax rates, is generally lower than sales prices.)[10]
6. All property uses in the master-planned community contribute to county and school revenues and expenses. On a per unit basis, this generates $7,183.35 in annual county and school revenues, and requires $1,470.51 in annual expenses.[11]
7. The average housing unit in the master-planned community (i.e., the average of all single family and multi-family homes, without other land uses being considered) generates $4,948.72 in annual county and school revenues, and requires $1,152.04 in annual expenses.[12]
8. The average taxable value of a housing unit in Lee County is $75,474.[13]
9. The average housing unit in Lee County generates $3,986.96 in annual county and school revenues, and requires $4,507.35 in expenses.[14]

These numbers show why the presence of a large number of school-age children in a housing development (or on a countywide basis) can create a deficit of expenses over revenues.

However, neither the sources of revenues supporting Lee County's schools nor the presence of school-age children are spread evenly across the county.

Some housing developments have a large number of school-age children and, as a result, produce a deficit. But, *as a direct result of the mix of land uses that exist on a countywide basis*, this can be evened out through surpluses generated by housing developments that have no or very few school-age children.

With the proper mix of land uses, it is possible to ensure a balance between all revenues and expenses. In fact, a breakeven analysis could be undertaken to determine how many students could live in a community and be fiscally neutral.

10. On a countywide basis, local school property taxes for Lee County represent 53% of the property tax bill and local property taxes collected contribute 55% to the total school budget.[15] Based on that figure, one can assume that $4,208 (55% of per student expenses) are covered by the local contribution.
11. The balance of school funding (or $3,442 per student) is made up through federal revenues (which contribute a little over 7% to the total school budget) and state revenues (which contribute 38% to the school budget). [16]

12. It should be noted that all residents contribute to the sources of state and federal funding that support local schools through sales taxes and federal income taxes. It therefore can be argued that all sources of funding and all expenses are essentially local.
13. The relationship between the amount of sales taxes and income taxes paid by each local resident and the amount of state and federal funding received back for schools is indirect and difficult to track with accuracy.
14. However, federal and state contributions are allocated to the county based upon the number of Full Time Equivalent Students. So even non-local sources are based on number of school-age children.[17]
15. Since the benefits of educating children accrue not only to the child, but also to the general public in terms of better social and economic conditions that result from an educated population, it can be reasonably argued that all residents benefit from the financial contributions they make to support schools, whether they have children attending local schools or not.

The master-planned community exemplifies these points.

16. The master-planned community had only 4 school-aged children in the year 2000. All property uses in the master-planned community contributed $2,815,283 in school revenues through local sources, yet required only $30,600 in expenses for the school-age children living in the master-planned community.[18]
17. Moreover, because of the small number of school-aged children, 99% of the school revenues contributed came directly from the master-planned community, while only 1% of school revenues came from federal and state sources.[19]

These numbers underscore why it is important to take ALL factors into consideration when analyzing the revenues and expenses generated by a different types of land use.

Demographic factors – number of school age children, age of residents, whether residents are employed or retired, and whether residents live in their homes all year or just part of the year – have a MAJOR impact upon the types of services required, the costs for those services, and the peak demands that must be considered in designing adequate levels of service. *In this study, it is the MAJOR determining factor between housing units that would create a deficit and housing units that, instead, generate a significant surplus in revenues over expenses.*

Housing price also plays an important role. Higher priced homes help to generate surpluses in revenues that make up for deficits created by other essential land uses and housing types. The master-planned community, for example, generated a surplus of $2,815,283 for schools alone in the year 2000 because of its combination of high average home prices and very low number of students.

It is important to note that the demographic profile of a community can change over time. Although the master-planned community currently has a demographic profile that

generates a surplus, if that profile was to change over time, with more full-time residents, more families with school-aged children, and an increase in the average number of people per household, the master-planned community's large surplus would decrease *without any change being made in the housing stock or the value of homes.*

One way of interpreting the results from this study is to conclude that county planners should encourage developments for seasonal and retired residents who do not have school-age children. That may be true, but only to a point. This type of development should *not* be encouraged to the exclusion of other types of more diverse and different kinds of development. It should be used to complement, and expand on, the opportunities that a local community has to accommodate people from all walks of life and to create a vibrant, diverse, multi-faceted community, not a monoculture.

Land uses that generate a surplus of revenues over expenses can make up for deficits caused by other types of housing units and land use – uses that may be critical in meeting the diverse needs of all county residents, but which may not pay their own way.

Two ways of making up these deficits is to cut expenses by reducing the level of services offered, or to raise taxes. Both can negatively affect all residents. Neither approach is as desirable as creating a community with a diversity of land uses that complement and balance each other. This approach is a much more equitable way of distributing costs. It also enhances the quality of life and aesthetics of a local community, and adds to its ability to maintain a fiscal balance among land uses.

That's why it is important to understand how each type of land use affects revenues and expenses, and how individual factors influence the amount of revenues and expenses generated by each land use – including factors that can influence the fiscal profile of a housing unit, such as the demographic makeup of its residents, the number of people who live in a household, amount of time a resident spends in the county, average annual income of the residents, housing values, and the amenities such as open space, nature preserves and on-site and off-site recreational facilities and town centers that will increase the marketability – and sales price – of a housing unit.

All these factors were taken into consideration in this study.

Why This Study is Important

Many residential developments create deficits, not surpluses. To attain fiscal balance, a vast majority of communities rely on commercial and industrial land uses to generate the revenues necessary to pay for the services required by a local community's residents, such as fire and police protection, roads, water and sewer, libraries, parks, and schools.

Impact fees are often levied to help offset the costs of expanding infrastructure to accommodate new developments. But impact fees do not pay for operation and maintenance, and the day-to-day demands that each citizen makes upon – and expects from – their local governments. For the most part, property taxes and a variety of other fees that are collected from property owners and businesses pay for these services.

Quality of service and levels of service often determine how one feels about the local community in which he or she lives. No one wants to spend time tied up in traffic because local roads are clogged beyond their carrying capacity. But building roads – and maintaining them once they are built – costs money. And in a growth state, such as Florida, infrastructure providers often must work as fast as they can just to stay even with current backlogs and levels of service.

The master-planned community has demonstrated that a well-planned development, that incorporates a broad mix of land uses, can achieve self-sufficiency and even generate a surplus in revenues over expenses. This type of development, in turn, helps to pay for the services required by low- and modest-income housing elsewhere in the county, which generate lower revenues.

This study underscores how these concepts – planning for a diverse mix of land uses in a local community, so that deficits created by necessary land uses such as low priced housing can be offset with surpluses from other land uses that generate excess revenues – make good fiscal sense. The study findings suggest that these concepts might be worth considering by local communities throughout the state.

One advantage of this approach is that a fiscal balance can be obtained by governmental agencies and schools, not by cutting back on services or raising taxes and other fees, but by paying closer attention to the mix of land uses and amenities that are incorporated into each local community's land use plan, which will increase the community's marketability and, in turn, the revenues generated for local government services.

This type of "holistic land use planning" is being encouraged by Gov. Jeb Bush through a pilot program to promote "true cost accounting" in Florida. More information on this appears in the full report that will be available in August 2003.

Part 2

Endnotes

Endnotes

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[1] Dick Hogan, "The Brooks drawing looks across the country," The News-Press, Ft. Myers, Florida, Feb. 27, 2001.

[2] Lee County, Florida, Comprehensive Plan, Objective 1.8, Planned Development District Option (PDDO). The PDDO allows landowners outside the county's designated "Future Urban Areas" to increase their allowed density if their developments are totally independent of county-subsidized facilities and services (Objective 1.8). PDDO developments "shall not result in harmful economic, fiscal, infrastructure/services, or public safety impacts" (Policy 1.8.1). The PDDO is designed as a floating, performance standard-based district (Policy 1.8.2).

PDDO performance standards are described as follows:

Self-sufficiency: capital costs – The proposed PDDO must demonstrate that all internal improvements will be installed to county standards at the developer's sole expense. In addition, the developer must pay for all off-site improvements and services required by the project.

Self-sufficiency: operating costs - The proposed PDDO must also show that the operating and maintenance costs of the project will not be borne by the county.

[3] Number of seasonal residents living in the master-planned community was determined by surveys of residents conducted by the Bonita Bay Group. Number of seasonal residents living in Lee County as a whole was derived from data provided by Lee County Planning Department and the U.S. Department of Commerce, Bureau of Census. According to the Lee County Planning Department, the population of the county increases by 18% during the winter season. Using population numbers from the 2000 Census, 18% of the county's permanent population is 79,360. That figure represents 15% of the combined total of the county's permanent and the seasonal population.

[4] Two books provide details on a series of studies that have been conducted around the U.S. to demonstrate the economic benefits of trails, greenways, open space and natural areas:

The Economic Benefits of Parks and Open Space: How Land Conservation Helps Communities Grow Smart and Protect the Bottom Line, The Trust for Public Land, 1996. Available for download as a PDF document from http://www.tpl.org/tier3_cdl.cfm?content_item_id=1145&folder_id=727

Economic Impacts of Protecting Rivers, Trails, and Greenway Corridors – A Resource Book, Rivers, Trails and Conservation Assistance, National Park Service, Washington, D.C., 1995, Fourth Edition, Revised. Available for download as a PDF document at http://www.nps.gov/pwro/rtca/econ_index.htm

[5] Master-Planned Community, 2000 Residential Prices, via FAX from the developer, April 15, 2002.

[6] All numbers are for the year 2000. All data sources and calculations are shown on the "CRE Basis" spreadsheet, which can be found in the Appendix, on pages 53-57 of the full study. Data used for these calculations are highlighted in grey on the spreadsheets.

[7] Florida Department of Education, Planning, Budgeting & Management, 1999-2000 Final FTE Student Enrollment.

[8] These numbers were computed by dividing total school expenditures for the 1999-2000 School year (Actuals for FY 1999-2000 from the Lee County Annual Budget, FY 2001-2002) by the FTE Student Enrollment (see endnote 7 above).

[9] Master-Planned Community, 2000 Residential Prices, per the developer., April 15, 2002.

[10] Lee County Property Appraiser Tax Roll (Lee County Revenue Manual).

[11] Calculations are based on total county and school revenues ($7,255,179) and expenses ($1,485,218) generated by all land use in the master-planned community for the year 2000 divided by the total number of housing units (1,010). Please note: All land uses in master-planned community are directly tied to the values derived from and provided by housing units in the maser planned community. These amenities have been built in conjunction with each phase of housing unit construction and have been established specifically to enhance the market appeal, market value and resident satisfaction of housing units in master-planned community. Hence, it is reasonable to assume that the impact made upon county revenues and expenses by each housing unit also includes the values provided by all amenities in master-planned community. For details, see "CRE Basis" spreadsheet in the Appendix, pages 53-57 of the full study.

[12] Calculations are based on total county and school revenues ($4,998,203) and expenses ($1,163,563) generated by all single family and multi-family homes in master-planned community for the year 2000 divided by the total number of single family and multi-family housing units (1,010). In this calculation, just the specific values contributed by housing units are considered. For details, see "CRE Basis" spreadsheet in the Appendix, pages 53-57 of the full study.

[13] Lee County Property Appraiser.

[14] Calculations are based on total county and school revenues ($967,342,300) and expenses ($1,106,125,230) generated by housing units of all types in Lee County for the year 2000 divided by the total number of housing units of all types (245,405). Although county and school revenues are contributed on a countywide basis by both residential and non-residential uses, non-residential uses exist, for the most part, because of and in support of county residences. Therefore, the average annual revenues contributed by one housing unit, and the average annual expenses required by one housing unit were calculated by dividing total revenues and total expenses by the total number of housing units of all types in the county. For details, see "CRE Basis" spreadsheet in the Appendix, pages 53-57 of the full study.

[15] The School District of Lee County, Florida, "General Purpose Financial Statements, Year ended June 30, 2000." The "CRE Basis" spreadsheet showing school revenues can be found in the Appendix on page 54. It shows total revenues for schools of $444,757,931, of which $243,393,611 – or 54.72%, which rounds up to 55% – comes from local sources.

[16] See endnote 15. Federal revenues for schools account for $32,422,125 – or 7.29% of

total school revenues. State revenues account for $168,952,195 – or 37.99%.

[17] The School District of Lee County, Florida, General Purpose Financial Statements, Year Ended 6/30/00, pg. 27. Also, see "Allocation Methods" on pages 49-51 of the Appendix.

[18] School revenues and expenses for master-planned community are shown on the "CRE Allocated by Resident Type in master-planned community" spreadsheets on pages 63 and 64 of the Appendix.

[19] Ibid.