

LAND USE FISCAL ANALYSIS

Guidance For a Financially Sustainable Future

Bryan, Texas | February 2024



This report was prepared in December 2023 for the City of Bryan, Texas by:

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Study Overview

Where, when, and how a city adds new development and infrastructure has a direct impact on the long-term fiscal health and affordability of the community. Some development patterns produce sufficient property tax revenue to cover service and infrastructure costs, while others require higher home values and subsidies from other funding sources to be sustained. One of the largest unfunded liabilities in cities is the cost to maintain and ultimately replace public streets and infrastructure. As cities across the U.S. have trended toward more spread out, autocentric development with larger lots and more (wider) roads, municipal resource gaps have grown, while housing is getting more expensive.

To be financially sustainable, a city must have sufficient revenue to cover its service and infrastructure costs now and in the future, while also ensuring housing and commercial space remains affordable. Additionally, the more revenue a city can capture from stable, predictable sources (such as property taxes), the more resilient it will be when more volatile funding streams like sales tax and grant funds aren't as plentiful.

The City of Bryan has requested this study to help quantify and communicate the fiscal performance of its current development and service model, identify opportunities to improve current policies to encourage fiscally sustainable development patterns, and inform discussions about ways the City can improve its long-term fiscal health.

Report Contents

This report is organized into four sections:

1. **Introduction** – This section expands on the background and purpose for the study, the methodology used, and key questions and issues city staff are looking for this report to help address.
2. **Economics of Land Use** – This section includes additional information on key concepts and trends from work across Texas and the U.S. that provides important context for understanding where Bryan fits relative to other communities.

3. **Analysis Results (City of Bryan)** – This section includes the analysis results and accompanying maps and charts for the City of Bryan, including breakdowns of fiscal performance by land use, zoning district, and individual parcels.
4. **Key Findings and Recommendations** – This section includes a summary of the main takeaways from the analysis and recommendations for the City to consider.

The primary data used to complete this analysis included:

- City of Bryan Budget and ACFR documents for the past five years (through FY22/23)
- Certified tax roll data from the Brazos Central Appraisal District (and accompanying GIS shape files)
- City of Bryan GIS shape files for land use, zoning, infrastructure, and existing development
- Pavement Condition data, provided by city staff
- Copies of current long-range plans, including the Comprehensive Plan and Master Thoroughfare Plan
- Currently adopted development codes and zoning district standards

The purpose of this land use fiscal analysis is to provide information about the revenues, costs, and net fiscal performance of different development patterns so that the city's development and service model can be aligned with what residents are willing and able to pay. This will help ensure the city can offer a diverse mix of housing and neighborhood options that stay affordable and attractive over time.

Summary of Bryan's Fiscal Health

Bryan is in a much stronger position than many of the suburban style communities across Texas. Key factors contributing to Bryan's above average position compared to other Texas communities include:

Development Pattern

Unlike cities that experienced most of their growth and expansion over a two-decade period, Bryan has had slow, steady growth over the years, which spreads out future infrastructure obligations and enables better alignment of revenues and costs. The large amount of traditional style development in the core and a diverse mix of housing options, particularly high density multifamily and missing middle options on smaller lots (such as townhomes, duplexes, etc), have produced pockets of high value per acre development that help subsidize the less productive parts of the city. The city's current codes and approach to development have allowed more infill and mixed-use development than many communities that have adopted codes that separate uses and require larger lot minimums and wider roads.

General Fund Revenue Portfolio

Almost 40% of the city's general fund comes from property taxes and there's an almost equal split between property tax and sales tax. This puts the city in a fairly resilient position if revenue from sales tax or development fees drops off due to market conditions outside the city's control. As Bryan continues to build out, it will be important to maintain or even increase the revenue generated from property tax so the city has the resources it needs to cover future service and infrastructure needs that tend to increase as a city matures.

Street Maintenance and Funding

When it comes to having funding allocated to make up for deferred street maintenance and future reconstruction costs, Bryan is again in better shape than many cities. The city has a life cycle street liability of approximately \$686M, which averages out to \$27.5M per year over 25 years. While this is a significant amount, this amount could be much higher had the city built more autocratic development which requires more roads and wider lanes. Additionally, only about 20% of the city's streets are in need of investment in

the next decade, and the city is proactively addressing aging streets through capital projects funded with bond programs and street fees.

Potential Areas for Concern

Aggressive expansion of the city limits over the past decade and recent trends toward larger lots, wider streets, and more autocratic development on the periphery of the city are cause for concern. This pattern of development can add costs that outpace revenue production, and drive housing prices and taxes up over time if not intentionally managed.

Recommendations

While the city is doing fairly well, there are things that can be done to grow revenues, improve efficiency of city services, manage future liabilities and keep housing affordable. Top recommendations for the city to consider are:

- 1) Protect existing development standards that allow flexibility to build small units on small lots, narrower streets, and less parking, and continue to work across all departments in the city to find innovative ways to serve more compact development as opposed to adopting standards that incentivize larger lots and wider roads. This will ensure that smaller products that are critical to keeping housing affordable and preserving and enhancing existing neighborhoods can continue to be built in the city.
- 2) Prioritize infill projects that add people and buildings in areas with existing infrastructure. This will increase tax revenue without significant impacts on services and infrastructure costs.
- 3) Perform a fiscal analysis on new development projects to understand how they will impact the city's service costs and long-term infrastructure liabilities. The majority of new development should generally have a positive net revenue per acre so the surplus revenue can be directed toward infrastructure maintenance and covering costs of the parts of the city that require subsidy.
- 4) Keep the street fee and aggressive preventative maintenance efforts in place, and design street projects to reduce pavement width and support walkable, mixed-use development where the existing context makes sense.

Background

Where, when, and how a city adds new development and infrastructure has a direct impact on the long-term fiscal health and affordability of the community. The dominant development approach implemented across the United States since World War II has prioritized autocentric design with larger lots and wider roads, fast growth, and low taxes in the near-term without fully considering long-term costs and impacts. While new development adds rooftops and businesses that generate additional revenue, it also increases a city's service and infrastructure liabilities. As cities have shifted to more spread out, autocentric development, it has reduced the revenue productivity of land and increased infrastructure costs. Meanwhile, local governments have traditionally done well at budgeting for additional staff and services needed to serve new growth but have not saved enough money to cover the costs to maintain and replace infrastructure initially put in by private developers.

Costs to serve and maintain cities are rising, particularly for older more mature communities, while resources available to cities are limited. At the same time, the costs to build and live in single family suburban homes are rapidly increasing, which is impacting who and how many can afford this type of housing and lifestyle and what residents are willing and able to pay in taxes and fees.

This “resource gap” often manifests as deferred maintenance, frequent bond elections to fund maintenance projects, or in some cases service area constriction which means a city permanently removes infrastructure and services. **For communities to remain vibrant and affordable into the future, cities will need to have a development pattern that generates enough revenue to cover service and lifecycle infrastructure costs while also providing a mix of housing options at different price points.**

The Purpose of this Study

The existing property and retail taxing structures cities use to fund public infrastructure and services create a direct relationship between the development regulations a city adopts and its fiscal sustainability. Cities in

Texas and many other states have a variety of constraints on how much revenue they can generate through these structures. However, the costs have no such caps, and often exceed a city's potential revenue pool. A city can adjust its development regulations to guide development into forms with cost burdens more suitable for its revenue potential. First though, a city must understand the relationship between its development patterns, revenue potential, and cost burden.

A land use fiscal analysis, such as this report, can help city leaders to better understand this relationship. Framing development concepts in terms of the revenue produced, costs generated, and impact on taxpayers' liabilities and affordability provides a common language for community stakeholders to discuss and make informed decisions about land use planning, zoning and subdivision regulations, infrastructure investment, economic development, budgeting, and setting the tax rate. Armed with data on the fiscal performance of existing development, service costs, and infrastructure liabilities, city leaders can then work to align development and service policies with what citizens are willing and able to pay for – now and in the future. This will help ensure the city can offer a diverse mix of housing and neighborhood options that stay affordable and attractive.

Some of the issues a study like this can help explain and explore include:

- How existing development in the city is performing in terms of tax revenue per acre and net revenue per acre when current budget and future infrastructure costs are allocated to parcels.
- How a city's general fund revenue breakdown is structured between property tax and more volatile sources like sales tax, grants, and fees, and how this “portfolio” needs to evolve as the city shifts from a growth context to a maintenance and redevelopment focus.
- How compact development typically generates a higher tax base and positive net return to pay for infrastructure and public services (and how more spread out development increases infrastructure and service costs).
- How wider lanes and roadways impact street maintenance and future reconstruction liabilities, and how street and lot width impact per lot/household cost burdens.

- How well current zoning and development regulations align with fiscally productive development patterns.

Local Context and Applications for Bryan

At the time this study was being completed, the City Council, Planning and Zoning Commission (P&Z), and Livable Neighborhoods Subcommittee were exploring possible changes to some of the current zoning criteria for residential districts, Residential District – 5000 (RD-5) and Residential District – 7000 (RD-7). Some of the items under consideration include:

- Minimum building footprint
- Minimum lots size, dimensions, and setbacks
- Street width standard of 27'

The discussions have been trending toward increasing minimum lot sizes and street width standards. Staff have specifically requested that this study explain the fiscal impacts of larger lots and wider streets so that decision makers have this information when considering policy change recommendations.

Philosophy and Methodology

We tend to talk and think negatively about taxes. However, our tax dollars fund all the infrastructure and services we've deemed too important to let potentially go unfunded and unprovided. These include public goods such as clean drinking water, public safety, transportation infrastructure, parks, sewer, drainage, and solid waste. The general fund is the primary fund used to cover the costs of these services except where an enterprise fund with a fee structure system has been installed to cover the costs. Ideally the taxing and fee structures a city institutes generate enough revenue to cover the costs of maintenance and operations. However, that's not always the case. A growing number of cities are relying on debt to cover escalating costs of maintenance and operations, or they slowly begin to let some maintenance and services go unfunded. Maintenance and replacement of aging street infrastructure tends to be the largest underfunded component of most city budgets.

Typically, a city's general fund in Texas consists of property taxes, retail sales taxes, and fees. The percentage between these varies by city, but most cities share the general philosophy of growing the sales tax base to reduce the property tax rate. Additionally, in high growth cities, fees from new development such as permitting and impact fees make up a significant portion of the general fund. If or when these revenue streams are reduced, it puts the community in a fragile position, and the city is forced to either raise taxes and fees to generate more revenue, or cut and defer services and infrastructure maintenance, reducing the quality of life and appearance of the community.

When you look at a city's budget it's important to remember that it balances to the expected revenue, not the actual costs of maintaining everything. Most cities operate with a hidden deficit that only grows over time. One of the easiest ways to determine if a city has a funding gap is to look at the backlog of unfunded street maintenance. Maintenance and replacement of aging streets is one of the largest costs cities have, but it tends to take a back seat to public safety, pensions, and staff costs in the annual budgeting process. So, while budgets are balanced every year, there's a hidden deficit when you factor in these unfunded street costs. This becomes a serious problem when street conditions deteriorate to the point that the appearance of neighborhoods declines and property values in those areas begin to stagnate or drop. It is much easier for a city to proactively set money aside for future street maintenance during its growth years than it is to try to find additional revenue after road conditions, property values and population growth are in a tailspin.

The underlying philosophy behind this study is that in a property tax state (like Texas), the property tax revenue generated from development in the city should be enough to cover the full life cycle costs required to maintain streets, sidewalks, and parks, as well as a significant portion of other basic services such as public safety and administration. Similarly, utility infrastructure costs should be covered by utility rates and associated enterprise funds. When development produces sufficient property tax revenue to cover these costs, this revenue can replace one-time development fee revenue and frees up sales tax revenue to focus on

economic development and quality of life improvements that preserve and enhance property values over time.

Methodology

This study's methodology can be summarized in the following steps. More detailed explanations of the steps and corresponding information is included later in the document.

- The study focuses on property taxes, the general fund and those services paid for (or that should be paid for) by the operations and maintenance (O&M) portion of the property tax.
- Review city budget documents to determine high level trends for general fund revenues and expenditures, identify the percentage of general fund revenues coming from property tax, and organize expenditures into two main categories: public service costs and infrastructure costs.
- Map the assessed value for all parcels in the city. This map reflects the assessed value of parcels but does not fully consider the size of the lot or the costs to serve it.
- Map the levy per acre for all parcels in the city (Level 1). This reflects the actual ad valorem (property tax) revenue a city collects from a property. It eliminates non-revenue generating parcels and factors in exemptions to determine the actual revenue collected by the city, and then converts the value into a ratio of revenue per acre. This enables us to look at the tax productivity of all parcels through a single metric (revenue per acre).
- Once revenue is mapped, costs are added. The first phase of cost analysis (Level 2) represents existing budget conditions. At the city level, this is reflected in the balanced budget where revenues equal expenses, but when you drill down to the parcel level, you can see which parcels bring in more than they cost to serve, and which ones cost more to serve than they generate in revenue. Public service costs from the budget are allocated using a developed/undeveloped property ratio. Infrastructure costs from the general fund budget are allocated using a served/unserved ratio. In both cases, costs are further allocated to parcels based on proportionate area.

- In the next step (Level 3), future/unfunded street replacement costs are added to the analysis. This reflects a more accurate representation of the full costs associated with development, as the life-cycle costs of infrastructure put in initially by developers are now considered. In some cases, other unfunded costs such as additional public safety or other services that a community needs but does not have the revenue to pay for are added.
- Once the revenue and cost allocation is done and mapping is complete, the data is analyzed to evaluate how different land use categories, zoning districts and geographic areas (such as downtown or neighborhoods) perform across the different levels of analysis outlined above.

Key Concept

There is a strong correlation between the physical and spatial characteristics of development patterns and its fiscal value to the city. Characteristics such as building layout, block structure, street design, and architectural standards all impact property tax as well as retail sales tax revenues. They also impact the cost burden required to serve and maintain over time. When considering current tax revenue and budget costs, some development patterns operate at a net gain, while others have a net loss. When future infrastructure replacement costs are incorporated, it increases cost burden on the city and produces a "resource gap" that needs to be closed.

This gap can be closed by increasing revenue through higher values and/or raising the tax rate; reducing service and infrastructure costs to align with revenues; or adjusting development patterns to be more fiscally productive.







A critical takeaway is that the city can increase revenues and close resource and affordability gaps *without raising taxes by adjusting its development pattern.* A city doesn't need every parcel to operate at a net gain. A city just needs enough net gainers to compensate for those that operate at a net loss.

The Value of Development Patterns

The form and process by which property develops in a community is its development pattern. Development patterns are caused by varied wants, needs, and desires amongst community leaders, residents, and developers. On the right are three of the most common development patterns seen in Texas and across the United States: rural, suburban, and urban. Each of these patterns accommodates a certain amount of people, requires different amounts of infrastructure and public services, and consumes varying amounts of land.

Understanding the economic constraints these patterns present is key to helping build a resilient and fiscally sustainable place. The economics of land use, at a high level, pertains to how these different development patterns generate revenue back to the city in the form of property tax, sales tax, and other revenues. The development patterns also generate costs and liabilities in the form of services and infrastructure that require maintenance over time. To be financially sustainable, a city's development pattern must generate sufficient revenue to pay for services and infrastructure; not just today, but over time.

COMMON DEVELOPMENT PATTERNS

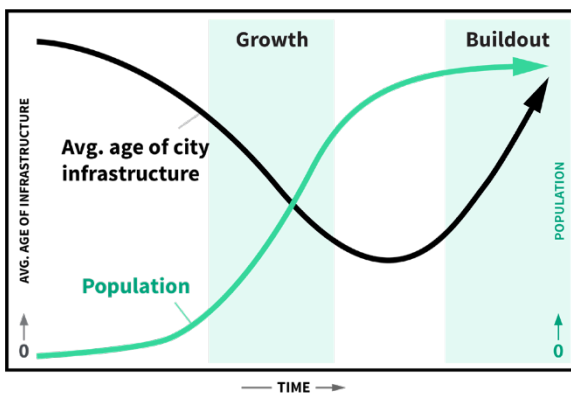
Rural		Value Per Acre	LOW
		Infrastructure Costs	LOW
		Service Levels	LOW
		Population Per Acre	LOW
		Cost Per Household	LOW
Suburban		Value Per Acre	MID
		Infrastructure Costs	HIGH
		Service Levels	HIGH
		Population Per Acre	MID
		Cost Per Household	HIGH
Urban		Value Per Acre	HIGH
		Infrastructure Costs	HIGH
		Service Levels	HIGH
		Population Per Acre	HIGH
		Cost Per Household	LOW

ALL IMAGES. SOURCE: GOOGLE

The Suburban Growth Experiment

For thousands of years, cities all over the world were built and grew incrementally out (horizontally), up (vertically) and more intensely (higher density) as resources allowed. This traditional pattern of development was characterized by a compact grid, narrower streets, and diverse building types (whose uses were flexible) all geared toward a human scale, and it was built in increments when the demand and money were available. New structures or streets were built next to existing buildings or infrastructure because this was the most cost-effective way of growing.

When the automobile was invented, it prompted a development shift in the U.S. that engineer and Strong Towns founder Charles Marohn coined the “suburban experiment.” The creation of the highway system, increasing car ownership, and mass-scale housing programs rolled out after World War II combined to create a new environment where developers were able to purchase and develop land out on the edge for lower costs, and the suburbs were born. Streets and buildings became more spread out than ever before, and residential, commercial, and other uses were separated. Fewer buildings were designed with unique character or built to last. Instead, they were designed to be cost-effective and mass-produced. Unlike the previous incremental growth, cities began to see massive amounts of housing, streets, and infrastructure being built over a much larger area in a short amount of time - typically just one or two decades.



This chart illustrates the connection between the rate of growth and infrastructure condition and maintenance costs. Rapid expansion of a city in population and/or service area can create an illusion of wealth during the growth phase, where the majority of neighborhoods and infrastructure are new, and taxes are low, but later when growth slows down, revenues flatten out while the costs to replace aging infrastructure built during the growth phase begin to hit. Without proper growth management and fiscal policies in place, this can lead to difficult choices between raising taxes to continue providing services and maintenance or reducing services, which often leads to further decline.

Effects of The Rate and Pattern of Growth

As the suburban growth model caught on, cities across the country began to embrace and encourage rapid growth without fully considering long-term impacts. Private developers built subdivision after subdivision, putting in miles of new infrastructure “at no cost to the city”, selling cities on the additional rooftops and tax revenues. This creates what Marohn refers to as an “illusion of wealth”, where the overall look and feel of the community is new and affluent. During this time, there is also typically pressure to keep property taxes down, and the combination of growing tax revenues and one-time development fees further encourage this approach.

Today, the significant costs of this autocentric, horizontal expansion-based approach are revealing themselves. As cities continue to age and expand, development and the revenue boost from additional homes and businesses slows down. The neighborhoods, facilities and infrastructure built decades prior have reached the end of their life cycle and are in need of replacement. Community leaders are left struggling to keep up with expectations for basic services, employment and lifestyle. However, they have limited resources to do so. This starts a cycle where cities fix what they can and postpone what’s left. Eventually neighborhoods deteriorate to the point where residents with the ability to do so move out, while those less fortunate are forced to remain in an environment of decline and neglect.

The extent of service costs and infrastructure liabilities tends to be connected to both the rate new development was constructed in prior years and the pattern and design of the infrastructure. Cities that grow steadily over time spread future maintenance obligations out over a longer duration, whereas ones that experience high population growth over a short time will have more liabilities come due at the same time. Also, cities built in a more compact pattern typically won’t have the same infrastructure liabilities and service costs as those that have built in a more spread-out, autocentric pattern with more, wider roadways, cul-de-sacs, and a larger service footprint.

Resource Constraints

The extent varies from city to city, but most city managers and mayors will acknowledge it is a daily struggle to keep up with the growing wants and needs of residents with limited resources. In today’s environment, most citizens are not willing and/or able to pay more in property taxes or fees, but cities don’t have the revenue needed to cover basic services and maintenance dues to the cost of aging infrastructure. Each year, maintenance expenses grow, and citizens’ concerns over property taxes and being priced out of their homes do as well. Recent state legislation to cap property taxes and limit

annexation and local control of building regulations has only increased this tension.

There are generally three positions that cities find themselves in when it comes to their position on the growth curve and how they are managing the resource gap:



	Services	Infrastructure	Revenue	
IN GOOD SHAPE				The city has quantified service costs, knows what its infrastructure costs are, and has a good, clear plan to generate enough revenue to pay for those things - all while staying within the limits of what the residents there are willing and able to pay for.
DOING OK FOR NOW				These communities tend to be in the middle of their growth phase. Older parts of the city require maintenance, but revenue from new growth is covering these costs. The wave of infrastructure reconstruction costs has not hit these communities yet, but is looming out in the future.
ALREADY RUNNING BEHIND				These are older cities where there is limited growth, and often, decline. Large areas of the city are past their initial life cycle and in need of repair. There are neighborhoods beginning to decline and there is no clear plan for how the city is going to address those needs.

Bridging the Gap

For cities to be financially resilient and affordable for years to come, city leaders must work to quantify and communicate resource and affordability gaps, and then implement strategies to close these gaps over time.

Generally speaking, there are three ways in which a city can close this gap:

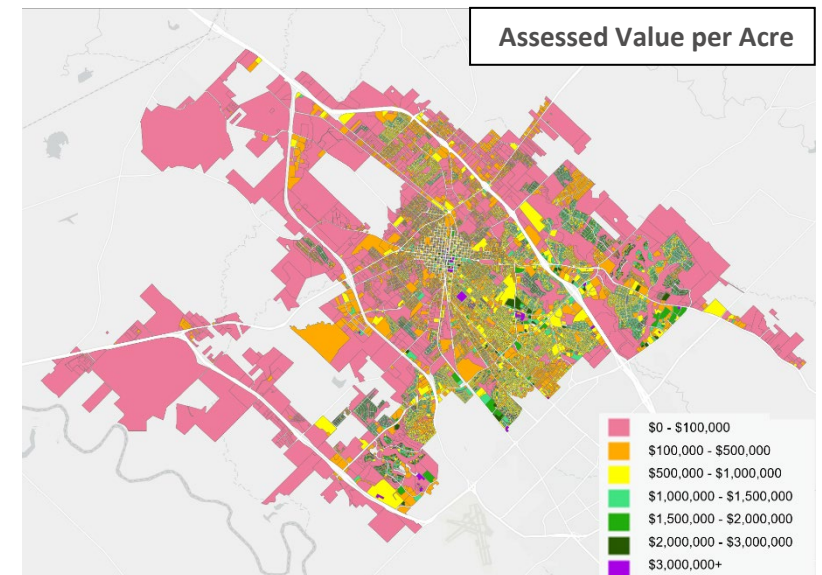
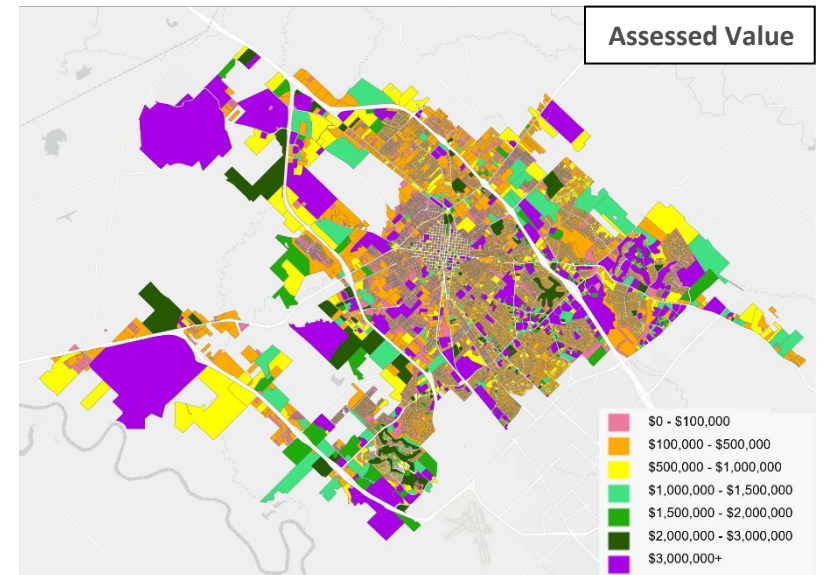


Evaluating the Fiscal Productivity of Development

To align development, services, and revenues, cities need a common language to discuss common problems and find common solutions. Land use fiscal analysis is a powerful tool that can help frame discussions and inform decisions about land use, development, infrastructure, and budgeting. A land use fiscal analysis like the one covered in this report is a parcel-level analysis of the property taxes (levy or revenue) and general fund service costs for real property throughout the city. The more productive development is from a property tax generation standpoint, the less pressure a city will have to generate additional revenue from sales tax, fees, fines, and other sources to cover basic services and infrastructure liabilities.

This analysis uses property tax revenue per acre and net revenue per acre on a parcel level to map the net fiscal productivity (parcel revenue to the city minus service costs) of every property in the city. By quantifying and mapping revenues and costs on a parcel and per acre basis, we can see how various land uses and development patterns perform in relation to one another. The analysis also illuminates which parcels generate sufficient property tax revenue to cover the costs to serve them, and which parcels cost more to serve than they generate in revenue, thereby requiring subsidies from other parts of the city and revenue streams.

Not all kinds of development yield the same returns on investment. The most financially productive places, in terms of the property tax revenues they bring in per acre, tend to be clustered around downtown/Main Street and compact, mixed-use neighborhoods. Repeated studies across the country show that street-fronting businesses on small lots in compact, walkable areas—such as those along historic main streets—tend to be vastly more productive per acre than the more suburbanized auto-oriented sites with larger lots and dedicated parking areas. Very little infrastructure cost is associated with this style of development, and units can easily adapt to different uses. Contrast this with the big box and strip mall approach, which consumes valuable land for less tax production, requires significantly more infrastructure, and is more difficult to reuse.



These two maps illustrate the difference between assessed value of properties (top) and the assessed value per acre for each property, which is calculated by taking the assessed value of a parcel and dividing it by the parcel's acreage. (Source: Brazos Central Appraisal District)

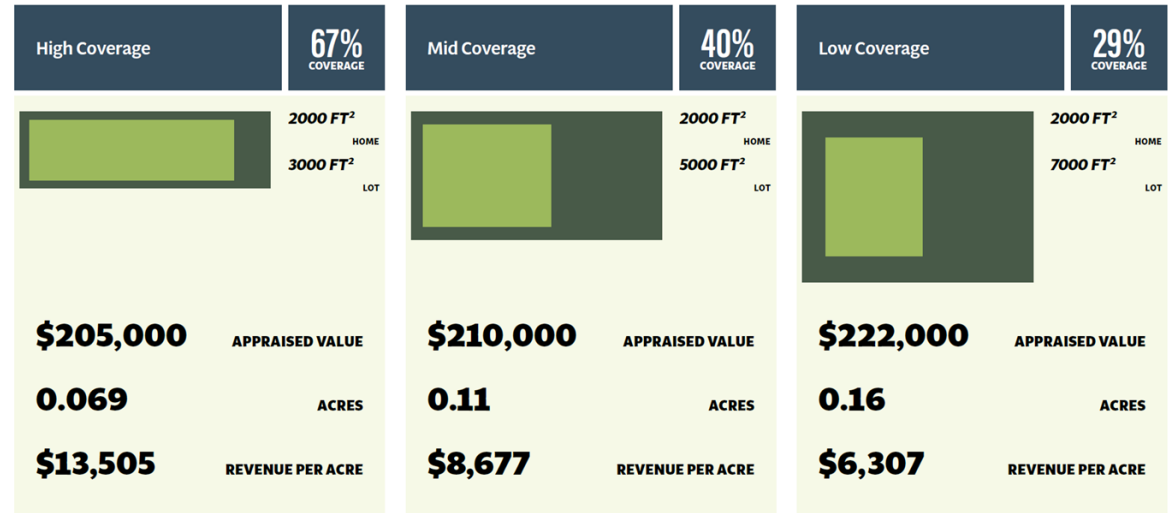
Factors Affecting Affordability and Fiscal Sustainability

Lot Coverage and Building Height

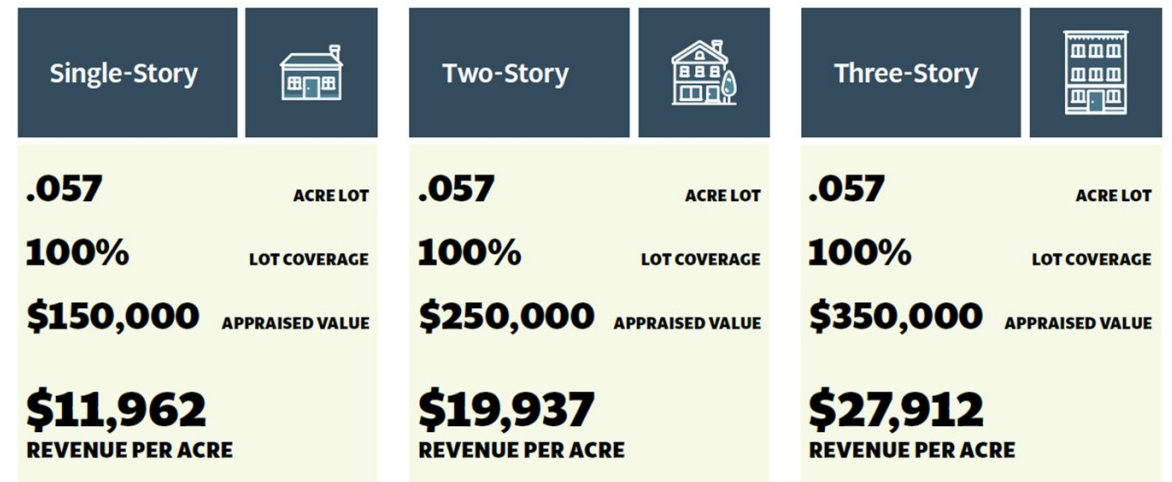
Taxable value can also be increased based on the building configuration on each lot. Put simply, the closer the size of a building to the size of a lot, the more taxable value is generated. This can be accomplished through multi-story or even single-story buildings.

Requirements for parking and open space can limit the buildable area for a site, so it's important to explore alternatives. Parking and lot minimums, stormwater management (regional detention) requirements, and dedication of parks and open space land are examples of regulations that impact the taxable value of development. Likewise, building height restrictions also impact the taxable value and revenue development can generate.

The incorporation of diverse housing products and neighborhood contexts can drastically impact the taxable value and revenue from residential development in the city. Bryan has done a much better job of allowing and building a variety of options that vary across the spectrum of value/cost, context, and net revenue per acre. Impacts of lot size, lot coverage, building height, and street width on taxable value, revenue per acre, and household cost burdens are explained on the following pages. Examples of some different neighborhoods in Bryan are included in the Analysis Results section.



This graphic illustrates the impact lot coverage has on the tax revenue per acre. The example shows a 2000sf home on a 3000sf, 5000sf, and 7000sf lot. The higher the lot coverage, the higher the revenue per acre. (Conceptual tax rate of 0.005 was used.)



This graphic illustrates the impact building height has on the tax revenue per acre. The example shows the difference between a one-, two-, and three-story building on the same size lot with a conceptual tax rate of 0.005. The more stories (and total square footage), the higher the revenue per acre.

Street and Lot Widths

The width of a street and the number of lots located along that street directly impact the cost each lot or household must contribute to maintain the street. The wider the street, the more expensive it is to maintain and rebuild - anywhere from \$500,000 to \$1.5 million per 11' lane-mile, depending on if the street is asphalt or concrete, sidewalk widths, and other features.

The household or lot's share of the replacement cost is impacted by the number of properties fronting the street. The greater the lot width (70' in this example) the fewer lots on the street, resulting in a higher share of the street cost per lot. Smaller lot widths (50' in this example) mean more lots can be created on the same length of street, spreading the cost among more lots, which reduces each lot's share. The example to the right illustrates how the combination of reduced street width and narrower lots can impact the per lot cost obligation. The chart at the bottom shows what the average home value would need to be for the different street and lot configurations for a tax rate of 0.005 and 10% of the property tax revenue getting dedicated to the street replacement. For these options, homes would need to average \$476K for the 27' street/50' lot scenario, and \$760K for the 31' street/70' lot scenario.

When street and lot widths are reduced on a citywide basis, it can have a significant impact in reducing long-term costs for the city and affordability for residents. Likewise, when streets are wider, street costs and the cost burden per household increase.

In addition to saving money on maintenance and reconstruction costs, narrower streets are also proven to slow speeds and improve the safety of pedestrians and cyclists. Balancing public right-of-way between automobiles and pedestrians and maintaining slower vehicular speeds are key factors in improving walkability and supporting many of the more fiscally productive development patterns that incorporate mixed-use development.

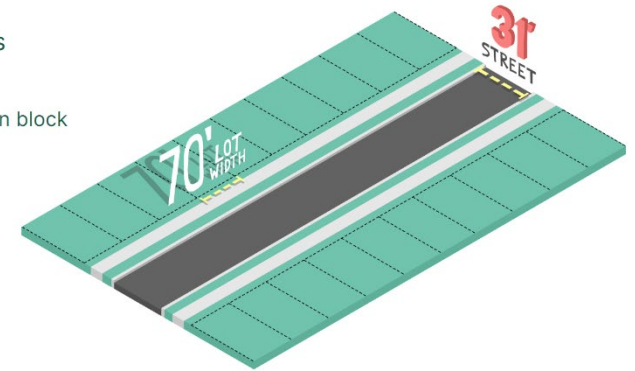
$$\frac{1000' \text{ block}}{70' \text{ lots}} = 14 \text{ lots}$$

$$14 + 14 \text{ lots} = 28 \text{ total lots on block}$$

Street cost per lot

$$\frac{\$532,000}{28 \text{ lots}}$$

$$= \$19,000 \text{ per lot}$$



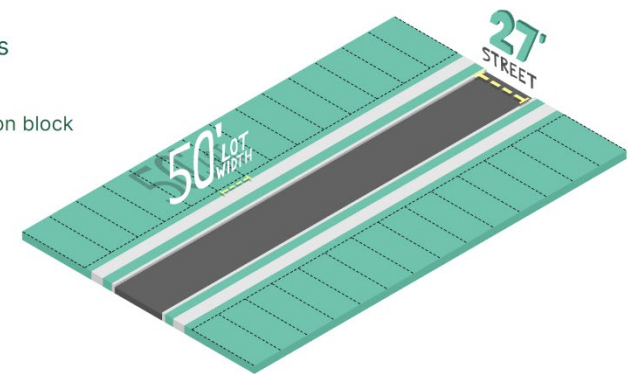
$$\frac{1000' \text{ block}}{50' \text{ lots}} = 20 \text{ lots}$$

$$20 + 20 \text{ lots} = 40 \text{ total lots on block}$$

Street cost per lot

$$\frac{\$475,000}{40 \text{ lots}}$$

$$= \$11,875 \text{ per lot}$$



Street width	Street cost	Lot width	Total lots	Street cost per year	Annual cost per lot	Home value required with 0.005 rate & 10% to streets
31 feet	\$0.53M	70 feet	28	\$21,280	\$380	\$760k
31 feet	\$0.53M	50 feet	40	\$21,280	\$266	\$532k
27 feet	\$0.48M	70 feet	28	\$19,000	\$339	\$678k
27 feet	\$0.48M	50 feet	40	\$19,000	\$238	\$476k

The graphics above illustrate the impact street width and lot width have on the street cost burden per lot/household and what the average home value would need to be to cover different configurations with a property tax rate of 0.005 and 10% of property tax revenue going toward street funding. (Source: Verdunity)

ECONOMICS OF LAND USE

How Development Patterns Affect Commercial Value

Commercial projects are often prioritized for the sales tax revenue and jobs they create. However, different patterns of commercial development can also impact property tax revenue on a per acre basis. Denser commercial patterns, like those found in downtown main streets, tend to be more productive than auto-oriented development that requires more land for parking and drive-thru lanes. The graphics on this page illustrate examples of the fiscal performance of different commercial patterns in Bryan.

Main Street Mixed-Use Block



Total Acreage: 1.17 ac
Tax Revenue per Acre: \$16,826

Suburban Pad Site



Total Acreage: 1.09 ac
Tax Revenue per Acre: \$2,357

Auto Oriented Big Box



Total Acreage: 20.42 ac
Tax Revenue per Acre: \$2,292

Traditional Downtown Grid



Total Acreage: 16.59 ac
Tax Revenue per Acre: \$10,101

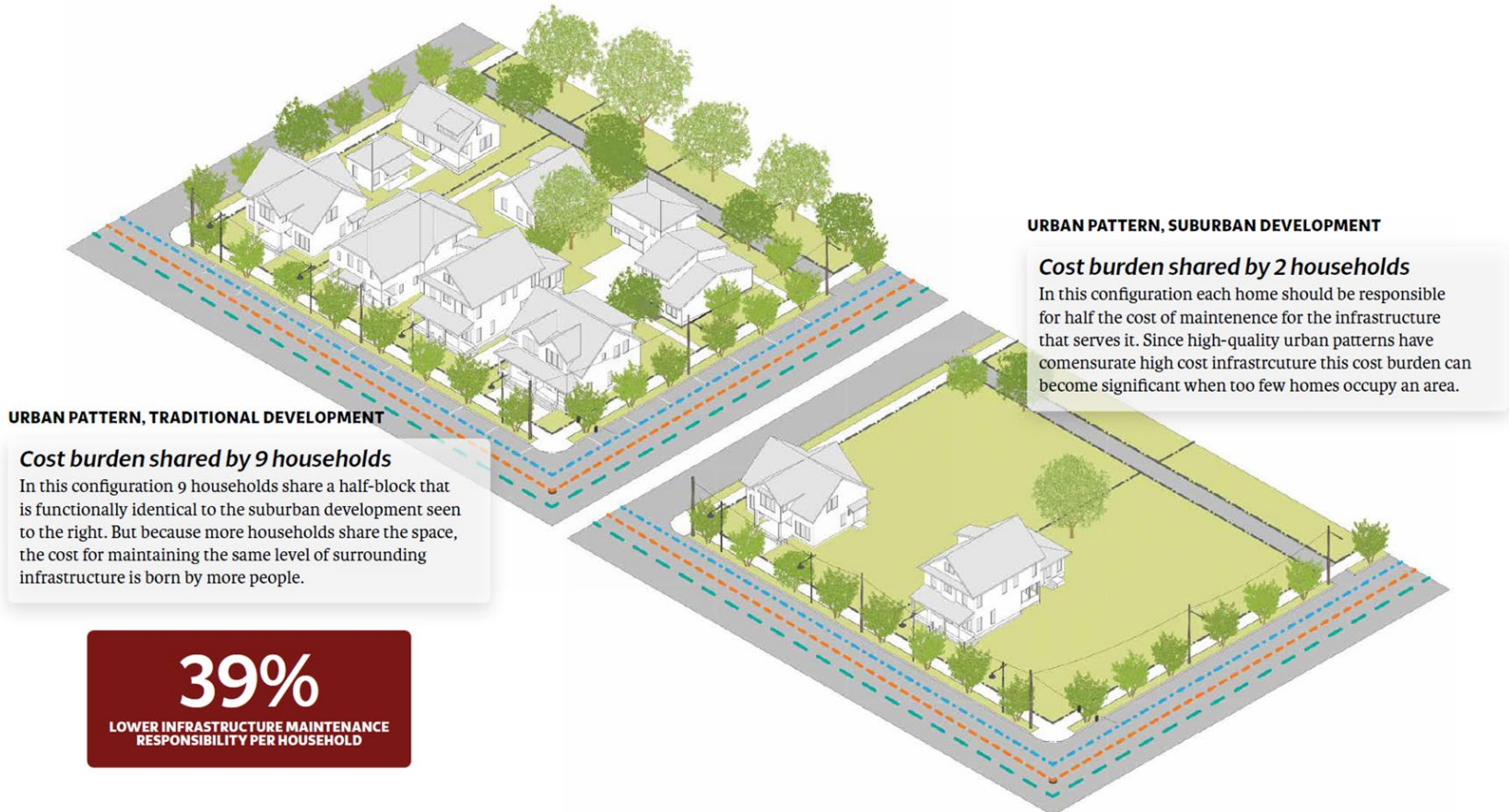
Intensity of Development

The intensity of development has a major influence on the city's ability to cover its costs. In the pair of graphics on this page, Kronberg Urbanists + Architects illustrate how two similar blocks will have the same infrastructure costs associated with them. Both will need access to street and utility infrastructure, but one block spreads the cost of that infrastructure over two properties, and the other across many more. This translates to a higher cost burden for the residents of the lower block vs. those on the upper block.

Housing types, like Accessory Dwelling Units (ADUs) and duplexes (two housing units within the same building) have the added benefit of creating a

revenue stream for an owner who lives on the property. This makes it feasible for them to age in place, or to live in the place they choose without suffering quality of life problems as they reach a more senior age.

It's common for residents to believe that development like you see on the top block, with more housing units close together, results in a crowded and unpleasant neighborhood. This scale illustration shows that a higher intensity of development can feel just like the streets that many of us grew up on, as long as the building form is scaled to the humans that inhabit it.



Fiscally Sustainable Greenfield Development

Maximizing undeveloped areas to realize their full potential through careful development choices is a prudent approach. While the illustrations on this and the following page do not represent a specific project, they are presented here with purpose. By taking the elements of development patterns covered

in this document and showing them applied to a local context, residents can begin to see what shifting the approach can offer, both fiscally and visually.



Green Space

The suburban pattern concentrates green space in a small number of locations. This means that some people are much farther from these park areas than others. The traditional pattern breaks up these spaces and spreads them throughout the development; therefore, some green space is available to everyone. Less insistence on personal yard space also allows things like riparian corridors to operate as undeveloped wild space.



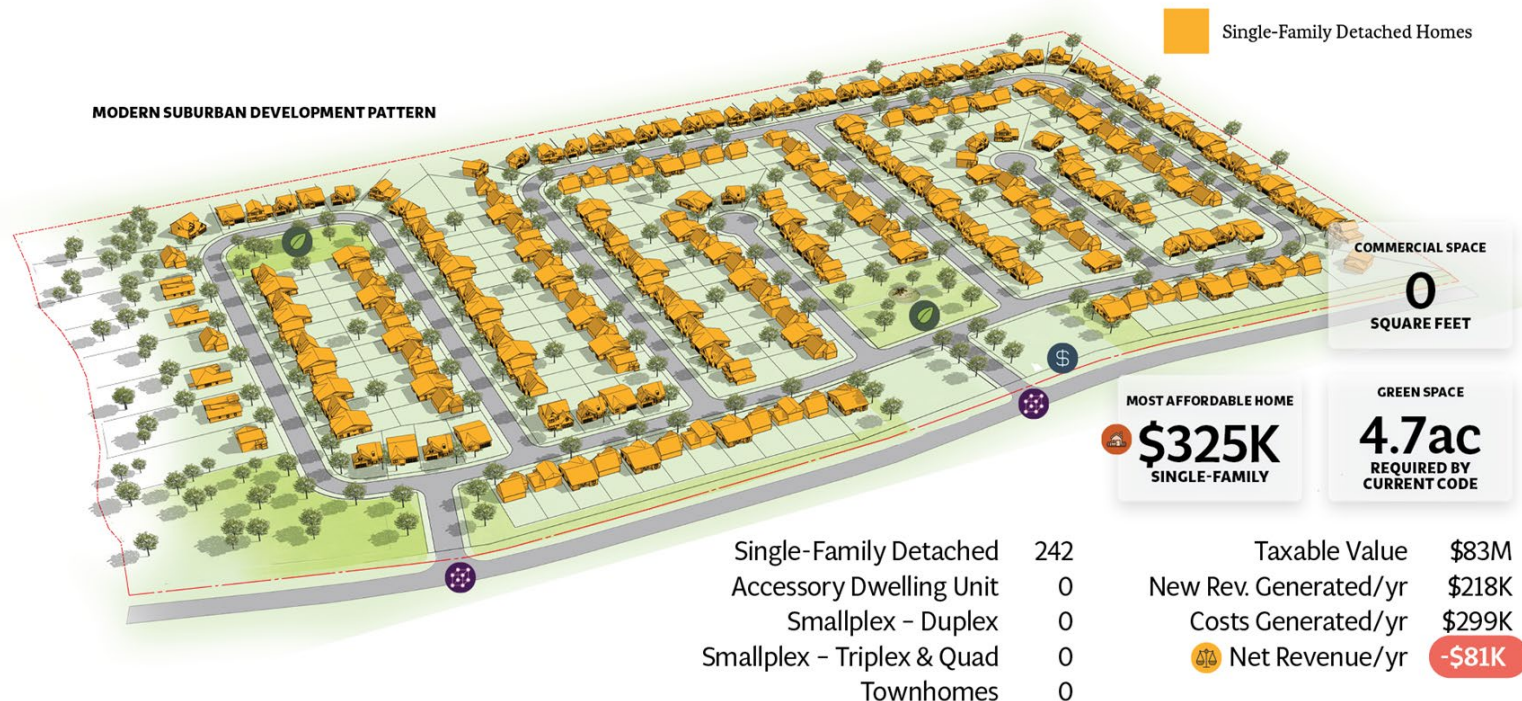
Commercial Opportunities

In suburban development patterns, space is often held for future commercial development. That future development isn't feasible until enough neighborhoods are built to supply the demand. The very low density of a single suburban neighborhood on its own won't suffice. In contrast, an interconnected traditional neighborhood pattern puts more people in the same amount of space and the provides the capacity for small, neighborhood scale commercial development to happen organically.



Diversity and Affordability of Housing

This pattern of gridded and interconnected streets lends itself well to housing diversity by creating logically sized lots on which many different housing types can be built. That housing diversity can play a massive role in affordability – units like ADUs and Townhomes, which feel right at home in a layout like this, can provide a much lower barrier to entry for people to become home owners.





Connectivity

The traditional pattern is fully connected, both inside the neighborhood and to outside development. This means that traffic generated inside this development has many paths to get to the activities they want to enjoy; this results in less congestion on a few key roads. A significant focus on pedestrian connectivity makes walking more pleasant, which reduces the number of cars on the roads.



Financial Implications

It is easy to discount the net revenue of a traditional neighborhood pattern like this one, but the numbers should be compared to the numbers produced by the suburban neighborhood. It is also easy to see how dire the fiscal situation is when one suburban subdivision requires multiple traditional neighborhoods to make up for the deficit it creates. In the long term, neighborhoods like this one retain their value over time, while suburban neighborhoods most often lose value.



TRADITIONAL NEIGHBORHOOD PATTERN



COMMERCIAL SPACE
6000
SQUARE FEET

MOST AFFORDABLE HOME
\$85K
ADU

GREEN SPACE
8.5ac

Single-Family Detached	123
Accessory Dwelling Unit	60
Smallplex - Duplex	33
Smallplex - Triplex & Quad	55
Townhomes	22

Taxable Value	\$129M
New Rev. Generated/yr	\$324K
Costs Generated/yr	\$305K
Net Revenue/yr	\$19K

Key Advantages of Fiscally Sustainable Development

Density



When strategically planned and designed, higher-density development can create vibrant and sustainable communities. It is essential to overcome the misconception that higher density leads to overcrowding, increased crime rates, and greedy developers. In this example, dwelling units are strategically placed to accommodate a larger population while creating ample green space and preserving natural features.

Choice



Higher density offers flexibility in housing affordability and various lifestyle choices. A more comprehensive range of housing options empowers individuals and families to choose living arrangements that best suit their preferences, current needs, and budgets. Additionally, the interconnected network of streets reduces automobile dependency and congestion, a concern the public has expressed in numerous engagement events. At the same time, the streets are safe and more attractive to walk. This example prioritizes pedestrian-friendly design principles, promoting active transportation and fostering a sense of community.

Walkability



The residents in this example benefit from easy navigation, primarily by walking. They have convenient access to amenities like event lawns, nature play areas, and neighborhood-scale retail establishments. The high walkability factor attracts foot traffic, benefiting businesses of different scales and contributing to a vibrant local customer base. It becomes an active neighborhood rather than one filled with automobile traffic. This type of development promotes sustainability for various commercial and retail businesses, fosters place-based economies, and encourages the development of a unique local identity. When people are asked what they love about a neighborhood, the most frequent responses are related to a neighborhood identity or feel.

Fiscal Sustainability



It is crucial to consider the fiscal sustainability of this approach. By using finite land resources more efficiently, the value per acre can be maximized. Narrower streets and a balanced density distribution, rather than concentrated density, reduce the strain on infrastructure maintenance. This approach ensures the long-term sustainability of different neighborhoods in throughout the city and enables resources to be allocated to other areas in the city when needed.

Creating a Fiscally Informed Development Strategy

Review of the information presented in this report and accompanying data can help city leaders make more informed decisions about growth and development in Bryan. A few questions the next section of this report addresses include:

How are the current development patterns in the city performing?

Providing a financial report on a more frequent basis to show how different land uses and development patterns are performing over time will inform the city of each development type's financial gain or loss and how it is contributing to the City's overall fiscal health.

What are the city's future street liabilities?

Street maintenance and replacement costs are one of the largest unfunded liabilities in cities. It's important to have a high-level estimate of future replacement costs and when they'll likely be due, and then implement a proactive preventative maintenance program to extend the life of streets whenever possible. Whenever new streets are built, opportunities to reduce pavement width and enhance walkability and other mobility modes should be explored.

How can the current development pattern be modified to provide more value per acre?

The fiscal analysis identifies the properties with the highest and lowest values per acre. A high value property generates sufficient property tax revenues to cover the costs to serve them. A low value property costs more to serve than it generates in revenue. Understanding the financial impact of each development type will help the City to capitalize on infill, redevelopment or greenfield opportunities to maximize the City's return on public investments and offset the service costs of under-performing development.

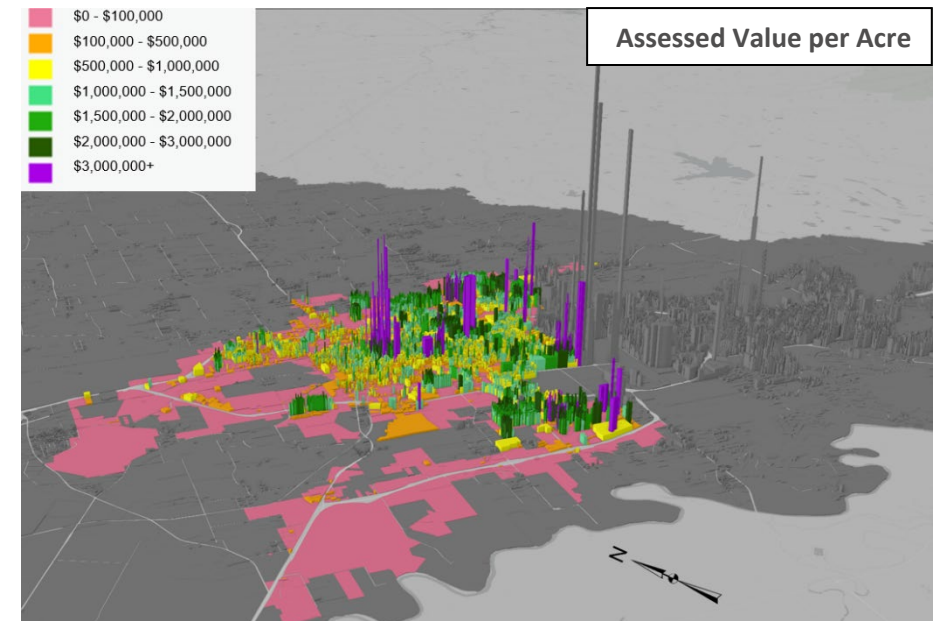
How well are zoning and development regulations aligned to support a fiscally productive and resilient pattern?

The patterns that are most fiscally productive for a city are often in conflict with current codes and design standards. Refining and re-framing policies on

lot size, parking minimums, lot coverage, and other code and development guidelines to make it possible to build in this more productive way is critical.

What people and organizations can partner with the city to build quality infill and small projects?

Historically, development was completed by local developers. Over the past 60 to 80 years much of the explosive development seen in the United States, and very specifically in Texas, has been undertaken by ever larger multi-regional and national development firms. These larger developers are not typically interested in developing individual lots or repurposing buildings. Therefore, it is important to foster and bolster local development talent by providing them with the means to be successful in the community. This means that the city needs to explicitly seek out the locals that are willing to build one building, one parcel, or one block at a time and connect them to the resources they need to be successful.

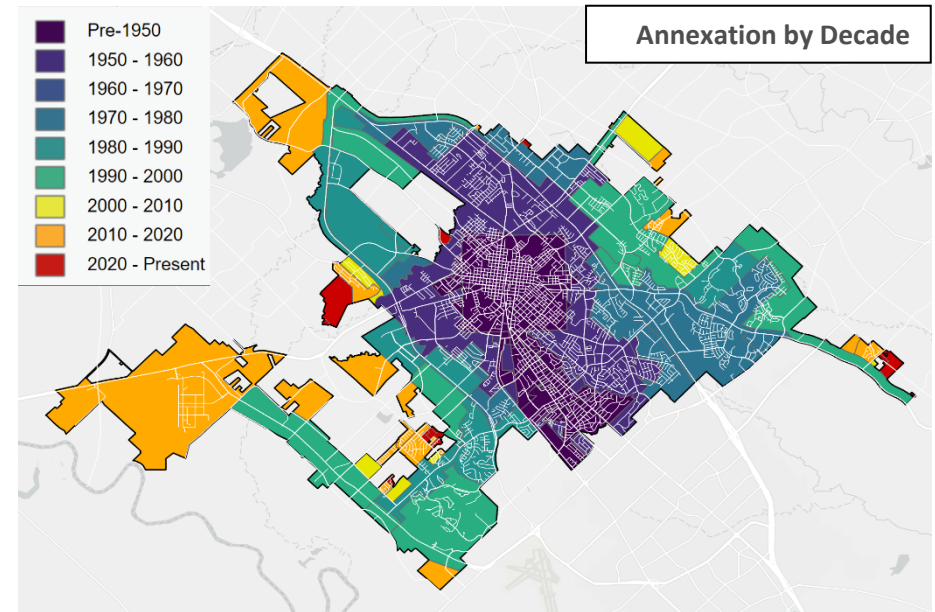


Assessed value per acre for Brazos County with City of Bryan highlighted. (Data from Brazos Central Appraisal District.)

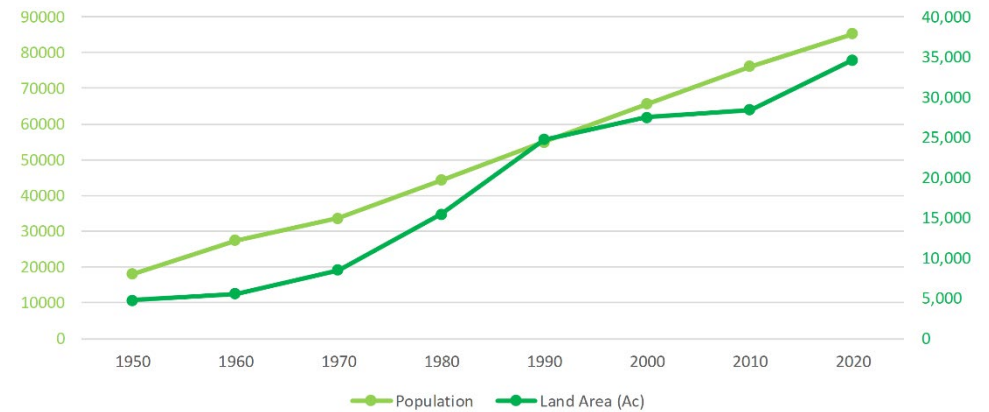
Population and Growth Pattern

The core of the city was built prior to 1950 in the traditional grid pattern described previously. As the city has grown, the city limits have expanded through annexation to the east, west, and north. The development pattern in the newer, outer parts of the city follows the autocentric suburban style pattern, with more spread-out development, larger residential and commercial lots, more infrastructure, and more parking.

Since 1950, the city’s population has grown from 18,000 people to more than 90,000 in 2023 - roughly 5X. During this same period, the city’s service area has increased by over 7X. While this is not nearly as drastic as many of the fast-growing suburbs found around Texas, there is still some cause for concern. **Over the last 70 years, the city has been adding infrastructure and public services to serve a larger area while the overall density of the city has been dropping. This combination of more costs and fewer people per acre means that the cost burden per household and per capita is increasing.**



Annexation in the City of Bryan. (Source: City of Bryan)



Population and city limit area trends for 1950-2020. (Source: City of Bryan)

ANALYSIS RESULTS (CITY OF BRYAN)

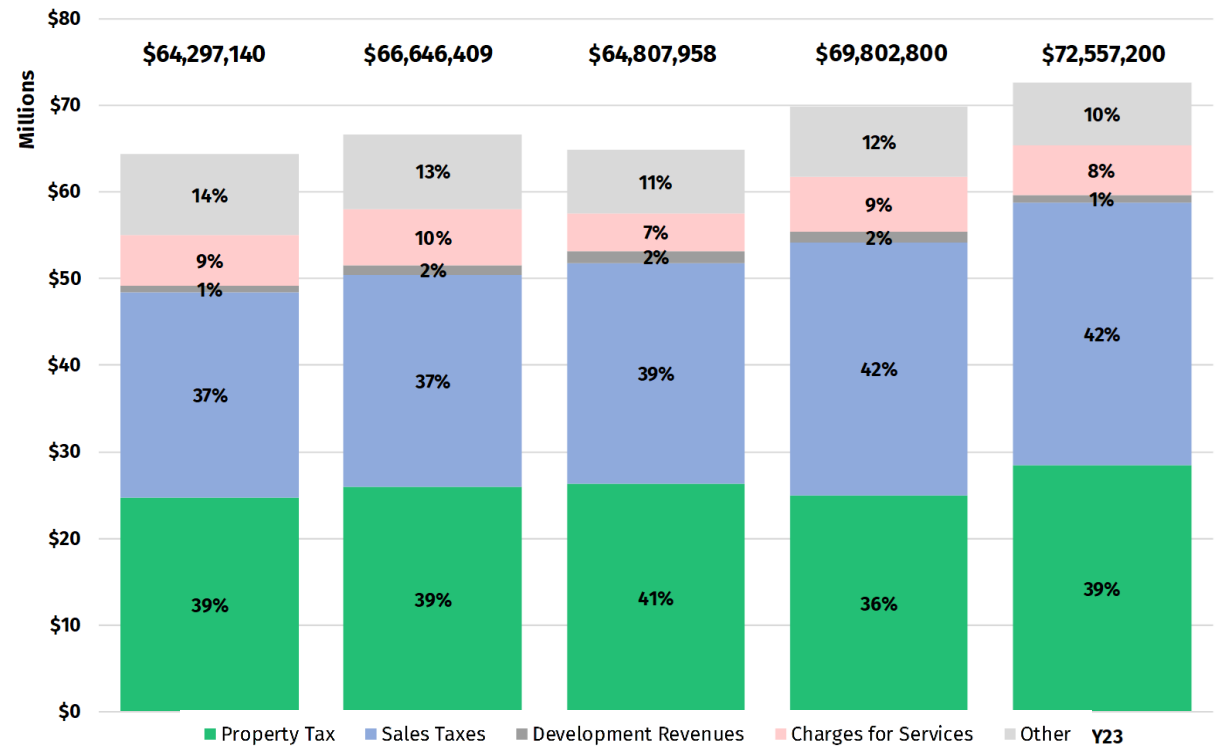
Budget Analysis

General Fund Revenue Trend Analysis

In the City’s 2022-2023 fiscal year budget, general fund revenues were budgeted to total \$72.6M. Revenues have generally increased every year except for FY21, when revenues dipped under \$65M before jumping up to almost \$70M the next year.

Property taxes and sales taxes are the largest source of revenue for the City and have maintained fairly stable levels and ratios over a five-year running trend period. Revenue from development (such as permitting and inspection fees) represents a much smaller portion of the budget.

Revenue Type	FY19	FY20	FY21	FY22	FY23
Property Tax	\$ 24,769,762	\$ 25,965,824	\$ 26,324,055	\$ 25,009,000	\$ 28,458,600
Sales Taxes	\$ 23,580,209	\$ 24,465,953	\$ 25,477,704	\$ 29,100,000	\$ 30,264,000
Development Revenues	\$ 766,523	\$ 1,029,792	\$ 1,382,112	\$ 1,297,700	\$ 927,000
Charges for Services	\$ 5,893,986	\$ 6,594,138	\$ 4,353,023	\$ 6,361,700	\$ 5,710,000
Other	\$ 9,286,660	\$ 8,590,702	\$ 7,271,064	\$ 8,034,400	\$ 7,197,600
Total GF Revenue	\$ 64,297,140	\$ 66,646,409	\$ 64,807,958	\$ 69,802,800	\$ 72,557,200

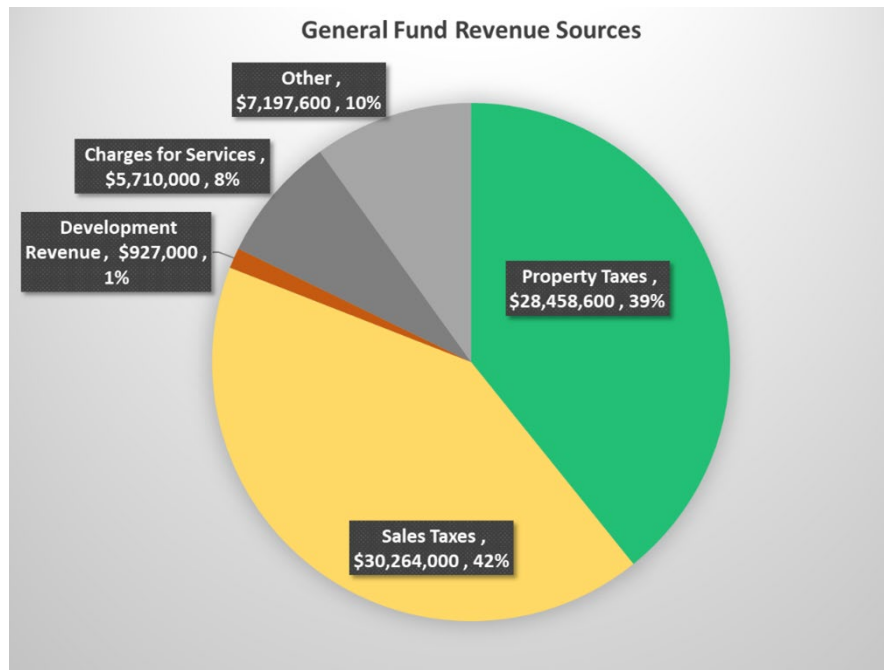


General Fund trends for City of Bryan (Source: Adopted Budgets and ACFRs, City of Bryan)

ANALYSIS RESULTS (CITY OF BRYAN)

FY22/23 General Fund Revenue

Of the city’s \$72.6M in general fund revenue, property and sales tax make up 39% and 42% respectively. The remainder is made up of development related fees, service charges, and other miscellaneous sources and transfers. As a more mature community with less new development activity, the city must rely more heavily on property tax revenue. **The property tax percentage of 39% is good, but an even better target for a financially strong and resilient city is 50%.** This increase covers for reduction in development fee revenue as land area goes away and reduces the reliance on sales tax, fees, and fines for basic services. Sales tax is a more volatile and therefore less predictable revenue stream and should be reserved as much as possible for quality of life enhancement projects and economic development investments. **Encouraging more fiscally productive development like that described in this report can grow the city’s property tax revenues without having to raise the tax rate.**

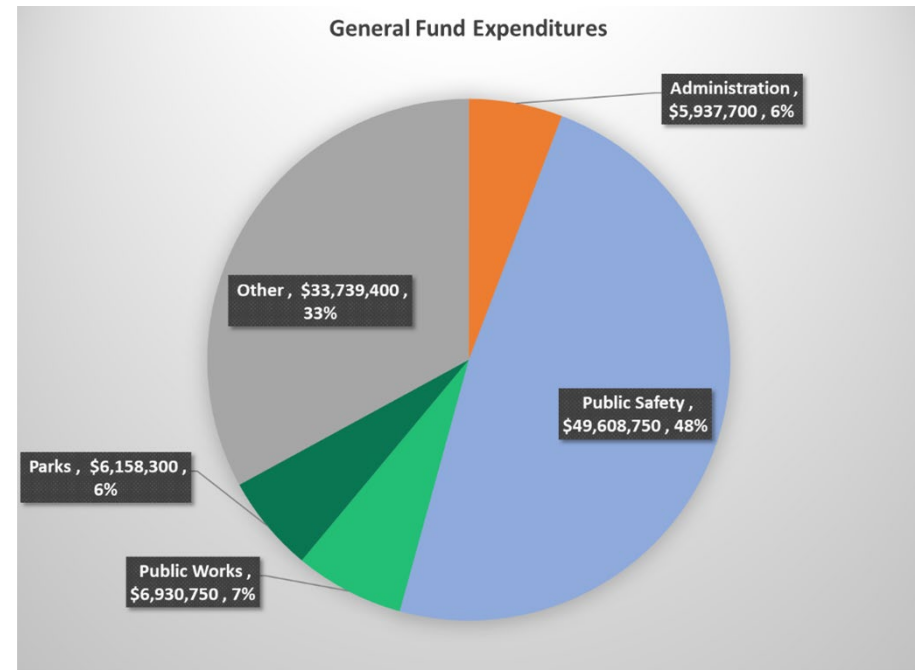


FY 22/23 General Fund revenue breakdown for City of Bryan (Source: FY22/23 Adopted Budget, City of Bryan)

FY22/23 General Fund Expenditures

In the FY22/23 budget, general fund expenditures totaled \$102.3M. Public safety consumes nearly half of the city’s budget. Infrastructure related expenses such as engineering services, streets and drainage, and traffic operations all fall under Public Works and make up roughly 7% of the budget. Within this category, spending on streets and drainage totals \$2.85M, roughly 2.8% of the budget. A little over \$6 million is dedicated to the parks department, presumably for maintenance and programming.

This distribution of expenditures is similar to other mature cities that are mostly built out and shifting to a focus on maintenance, infill, and redevelopment. **As Bryan’s neighborhoods and infrastructure continue to age, more funds will be needed for the Public Works and Parks departments.**



FY 22/23 General Fund expenditure breakdown for City of Bryan (Source: FY22/23 Adopted Budget, City of Bryan)

ANALYSIS RESULTS (CITY OF BRYAN)

General Fund Expenses per Capita, Household, and Acre

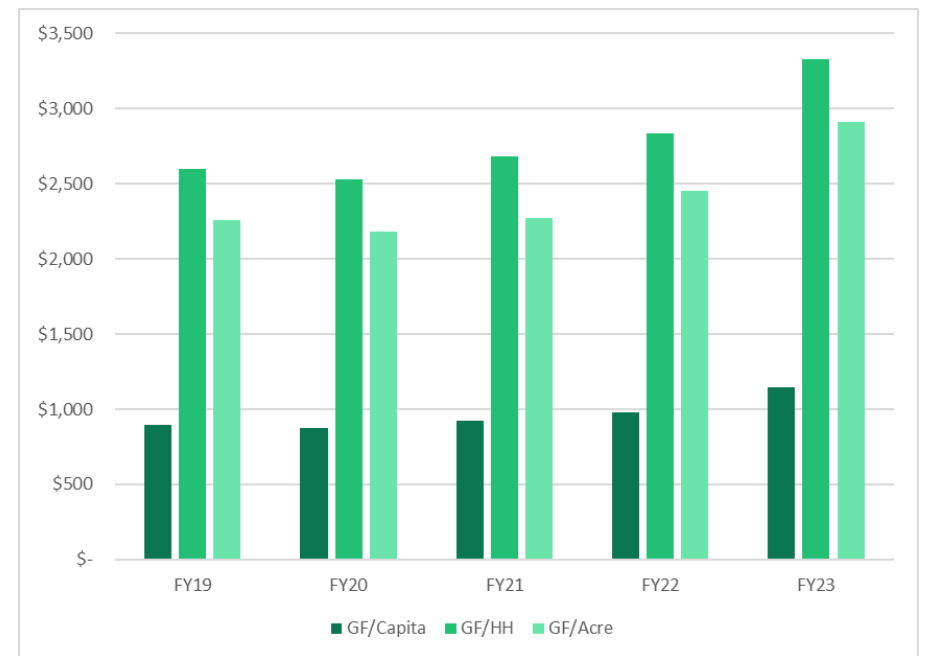
Reviewing the city’s general fund expenses on a per capita, household, and acre basis can provide additional insight into how the city’s service area and density impact costs for the City and its residents. Generally, when a city develops in a more compact manner with higher density, the revenue (and expenditures) per acre increases and the costs per capita and per household decrease due to having more properties to distribute the costs to.

Looking at these metrics for Bryan over a five-year trend period, expenses for all three metrics are all increasing after a small drop in FY20.

- Over the last five years, expenses have increased from \$2258 to \$2912 per acre, while the GF revenue per acre has only grown from \$1924 to \$2064 in this same span.
- GF expenditures per acre are increasing, despite the city limit area also increasing. This indicates that the city’s spending as a ratio of its service area (city limits) is increasing.
- GF expenses per capita and per household have both increased significantly over the last five years.

Based on these trends, Bryan is expanding its service area and population that is increasing costs, but due to lower density development, the cost burden per household is also increasing. If this continues, revenues will have to be increased to cover these costs, likely through higher home values and/or tax rates that will impact the city’s affordability. On the other hand, if the city limits additional annexation and focuses population into areas with existing services and infrastructure (thereby increasing density), costs can be distributed over more dwellings, bringing the cost per household down over time.

Year	FY19	FY20	FY21	FY22	FY23
GF Expenses	\$ 75,447,379	\$ 74,163,719	\$ 78,790,155	\$ 85,500,400	\$ 102,374,900
Population	84194	85014	85226	87461	89211
Households	29032	29315	29388	30159	30762
Acreage	33414	34038	34662	34908	35153
GF/Capita	\$ 896	\$ 872	\$ 924	\$ 978	\$ 1,148
GF/HH	\$ 2,599	\$ 2,530	\$ 2,681	\$ 2,835	\$ 3,328
GF/Acre	\$ 2,258	\$ 2,179	\$ 2,273	\$ 2,449	\$ 2,912



General Fund trends for City of Bryan (Source: City of Bryan, ACS)

Service and Infrastructure Cost Allocation

For this analysis, costs have been split into two categories:

Public Service Costs: This category includes the majority of general fund expenditures, including administration, public safety, public works and all other municipal service costs excluding infrastructure. Public services make up 91.2% of the General Fund, or \$93.368M. These costs are allocated with the assumption that a developed property consumes a higher portion of city services than a vacant parcel, and that these costs are based more on the parcel/dwelling unit and type of service than the size of the property.

Street, Drainage, and Park Infrastructure Costs: This category includes general fund expenditures related to public parks and infrastructure with the exception of utilities that are paid for through separate enterprise funds (water, wastewater, etc). These costs account for 8.8% of the General Fund, or \$9.007M. These costs are allocated based on whether a parcel has infrastructure service to it (public street frontage and water service) and the size (acreage) of the parcel, since larger properties typically have more street frontage.

Cost allocation for both categories is expanded on the following pages.

ANALYSIS RESULTS (CITY OF BRYAN)

Budgeted Public Service Cost Allocation

Developed properties in the city consume more public services than parcels that are vacant. Additionally, costs for the majority of public services are driven by dwelling units and residents and less dependent on the size of the property. For example, a house on a .2 acre lot with 4 members will utilize a similar amount of public services as the same residence on a 1 acre lot.

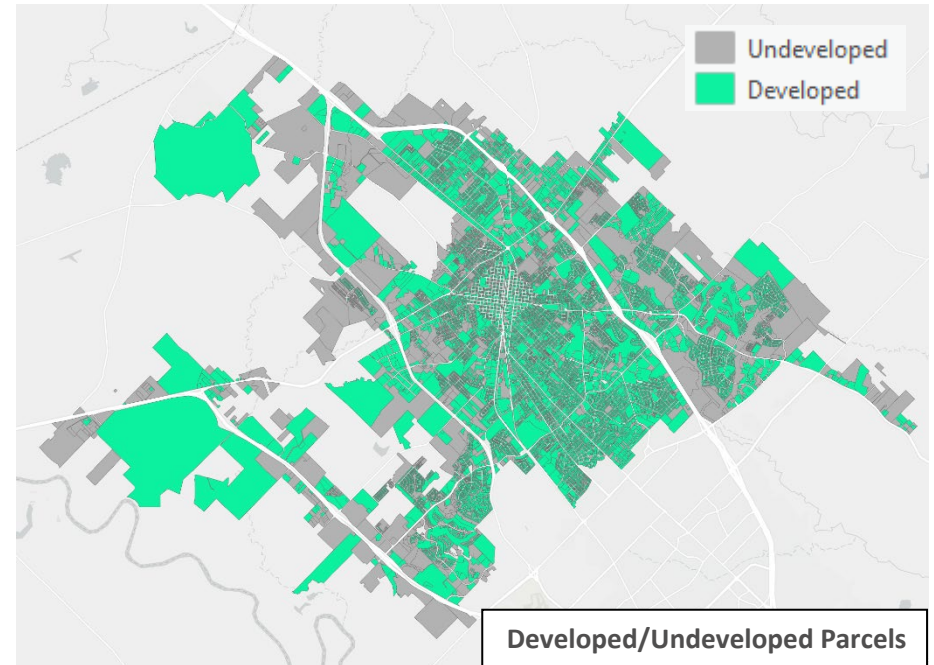
The first step in allocating these costs involves determining the number of developed vs undeveloped parcels. For Bryan, 82.8% of the parcels and 60.9% of the acreage are developed, meaning they have at least one building on them.

Based on the budget, \$93.4M of the costs were determined to fall under the “public service” category (see table on next page). Since 39% of the general fund comes from property tax (refer to the general fund revenue breakdown on pg 25), this same percentage was used to calculate the amount of public service costs to be covered by property tax, or \$36.6M).

Finally, developed properties in the city were calculated to assume 82.8% of the public service costs (\$30.3M), while the undeveloped properties carried the remaining 17.2% (\$6.3M). These amounts were then allocated to the properties in the respective developed/undeveloped category using their proportionate area.

On a per parcel basis, the public service cost/parcel citywide is \$3283/parcel, with \$1288 coming from property tax. On a per acre basis, the public service cost/acre citywide is \$2715/acre, with \$1065 coming from property tax.

These calculations are shown to the right and on the following page.



Developed/Undeveloped Parcels/Proportions

Developed:	23,533 Parcels	82.8%
<u>Undeveloped:</u>	<u>4,903 Parcels</u>	<u>17.2%</u>
Totals:	28,436 Parcels	100%

Developed/Undeveloped Acreages/Proportions

Developed:	20,957 Acres	60.9%
<u>Undeveloped:</u>	<u>13,436 Acres</u>	<u>39.1%</u>
Totals:	34,393 Acres	100%

Property Tax Revenue Breakdown

Developed:	\$ 27,056,849	96.5%
<u>Undeveloped:</u>	<u>\$ 974,533</u>	<u>3.5%</u>
Totals:	\$ 28,031,382	100%

Above: Map showing the developed and undeveloped properties in the city. (Source: City of Bryan and Brazos Central Appraisal District GIS)

Left: Calculations for developed and undeveloped parcels (number of parcels and acreages) and the amount of property tax revenue generated by each.

Next Page: Calculations for the public service cost amounts allocated to developed and undeveloped properties.

ANALYSIS RESULTS (CITY OF BRYAN)

Public Service GF Item	Percent of GF	Cost	Allocation
Administration	5.8%	\$ 5,937,700	Per Parcel
Public Safety	48.5%	\$ 49,608,750	Per Parcel
Public Works (Excluding Streets & Drainage)	4.0%	\$ 4,082,150	Per Parcel
Other	33.0%	\$ 33,739,400	Per Parcel
Total	91.2%	\$ 93,368,000	

Public Services from Property Tax

\$ 93,368,000 (Total Public Services)
 x 0.392 (% of GF from Prop. Tax) =
 \$ 36,600,256 Public Services from Prop. Tax

Total Costs to Developed Parcels

\$ 36,600,256 Total Public Services from Prop. Tax
 X 0.828 (Ratio of Developed Parcels)=
 \$ 30,305,012 Costs to Developed Parcels

Total Costs to Undeveloped Parcels

\$ 36,600,256 Total Public Services from Prop. Tax
 X 0.172 (Ratio of Undeveloped Parcels)=
 \$ 6,295,244 Costs to Undeveloped Parcels

Public Service Costs

Public Service Cost per Parcel

- Public Service Cost/Parcel (citywide) = \$3283
- Public Service Cost/Parcel from Prop Tax = \$1288

Public Service Cost per Acre

- Public Service Cost/Acre (citywide) = \$2715
- Public Service Cost/Acre from Prop Tax = \$1065

Budgeted Street, Drainage, and Park Infrastructure Cost Allocation

Unlike public service costs that are driven by dwelling units and population, infrastructure costs are driven more by the geographic size and location of the property and whether the property is served by public infrastructure. For example, a larger, wider lot fronts on more of the public street than a narrower lot. Additionally, parcels located further out in a city often require extension of major infrastructure such as thoroughfares and bridges, drainage systems, and utility facilities such as additional pump stations, storage tanks, and treatment facility capacity. Properties that do not have public street access or utility service do not benefit from these services, and therefore aren't assumed to carry much of the cost.

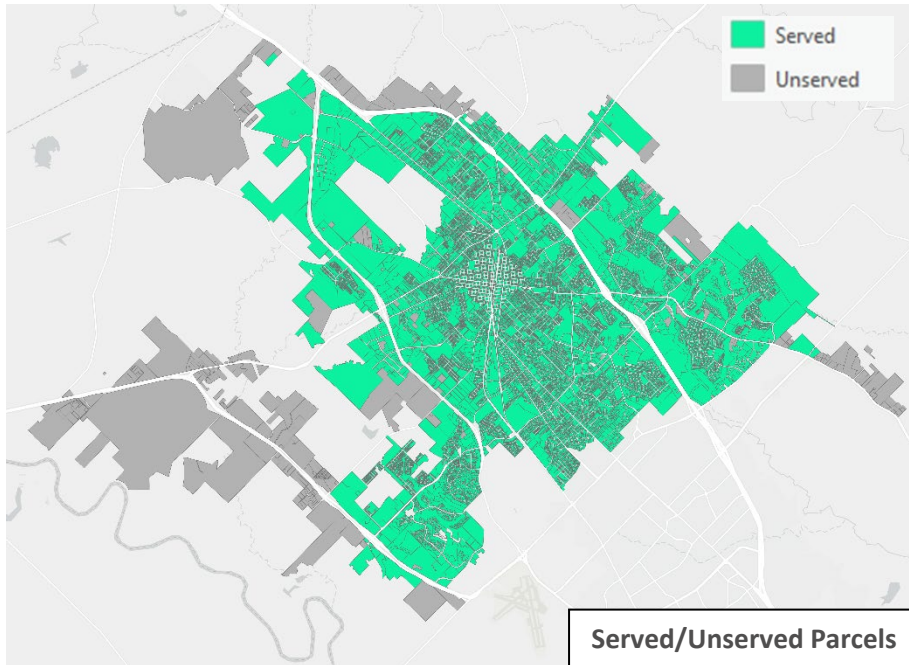
The first step in allocating these costs involves determining the number of served vs unserved parcels. For Bryan, 71.2% of the parcels and 98.3% of the acreage are served with public infrastructure.

Based on the budget, \$9M of the costs were determined to fall under the "infrastructure" category (see table on next page). The same ratio of 39% of the general fund coming from property tax (refer to the general fund revenue breakdown on pg 25) was used to calculate the amount of public infrastructure costs to be covered by property tax, or \$3.5M).

Finally, served properties in the city were calculated to assume 71.2% of the public service costs (\$2.5M), while the unserved properties carried the remaining 28.8% (\$1M). These amounts were then allocated to the properties in the respective served/unserved category using their proportionate area.

These calculations are shown on the following page.

ANALYSIS RESULTS (CITY OF BRYAN)



Served/Unserved Acreages/Proportions

Served:	24,503 Acres	71.2%
<u>Unserved:</u>	<u>9,890 Acres</u>	<u>28.8%</u>
Totals:	34,393 Acres	100%

Served/Unserved Parcels/Proportions

Served:	27,967 Parcels	98.3%
<u>Unserved:</u>	<u>469 Parcels</u>	<u>1.7%</u>
Totals:	28,436 Parcels	100%

Served & Unserved Proportionate Revenue

Served:	\$ 27,596,080	98.4%
<u>Unserved:</u>	<u>\$ 435,301</u>	<u>1.6%</u>
Totals:	\$ 28,031,381	100%

Above: Map showing the served and unserved properties in the city. (Source: City of Bryan and Brazos Central Appraisal District GIS)

Left: Calculations for served and unserved parcels (number of parcels and acreages) and the amount of property tax revenue generated by each.

Right: Calculations for the infrastructure cost amounts allocated to served and unserved properties.

Infrastructure GF Item	Percent of GF	Cost	Allocation
Streets & Drainage	2.8%	\$ 2,848,600	Per Acre
Parks	6.0%	\$ 6,158,300	Per Acre
Total	8.8%	\$ 9,006,900	

Infrastructure from Property Tax

\$ 9,006,900 (Total Infrastructure)
x 0.392 (% of GF from Prop. Tax) =
\$ 3,530,705 Infrastructure from Prop. Tax

Total Costs to Served Parcels

\$ 3,530,705 Total infrastructure from Prop. Tax
X 0.712 (Ratio of Served Parcels)=
\$ 2,513,862 Costs to Served Parcels

Total Costs to Unserved Parcels

\$ 3,530,705 Total Infrastructure from Prop. Tax
X 0.288 (Ratio of Undeveloped Parcels)=
\$ 1,016,834 Costs to Unserved Parcels

Infrastructure Costs (excluding utility/enterprise fund costs)

Infrastructure Cost per Acre

- Cost/Acre (citywide) = \$800
- Cost/Acre (developed & served properties only) = \$1310

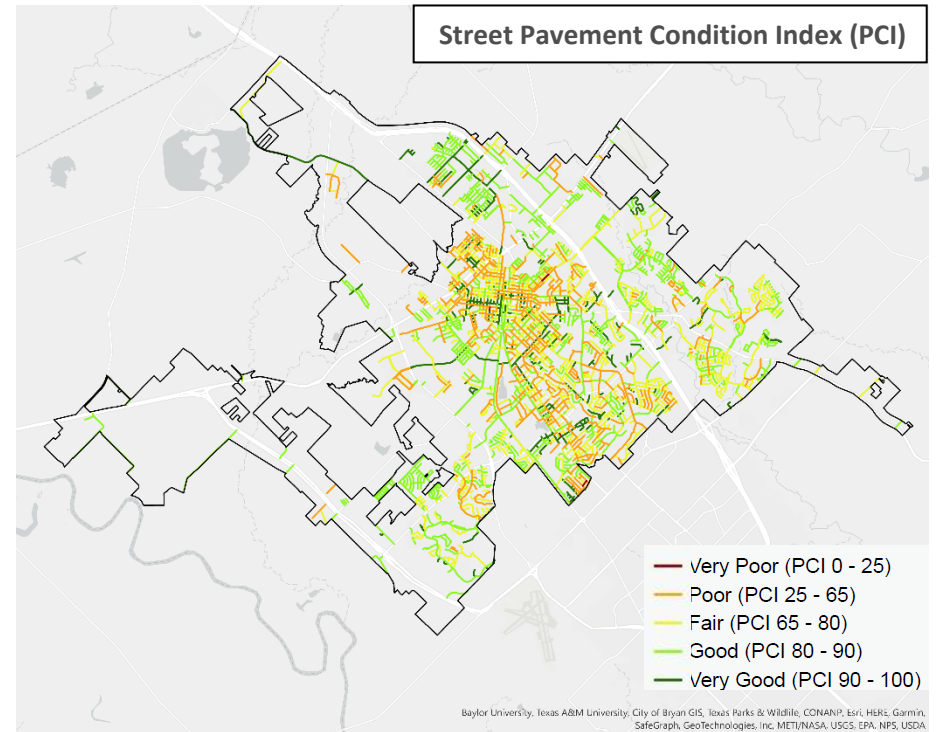
Unfunded (Future) Infrastructure Liabilities

As discussed previously, current budgets do not typically provide sufficient funding that will be needed to continue to serve and maintain basic public services and infrastructure into the future. The primary drivers for this growing resource gap are expansion of service areas with higher amounts of lower density development, and unfunded street, drainage, and park maintenance liabilities.

In order to be fiscally sustainable long-term and maintain or improve service levels, the City will need to generate additional revenue to cover the costs of what is realistically required to do so. Raising the property tax rate and/or implementing fees for street, drainage, and park maintenance can help, but adjusting the city's growth and development approach to prioritize infill, reduce pavement widths, and incorporate higher value producing development patterns is another strategy worth considering.

Projected Future Street Replacement Costs

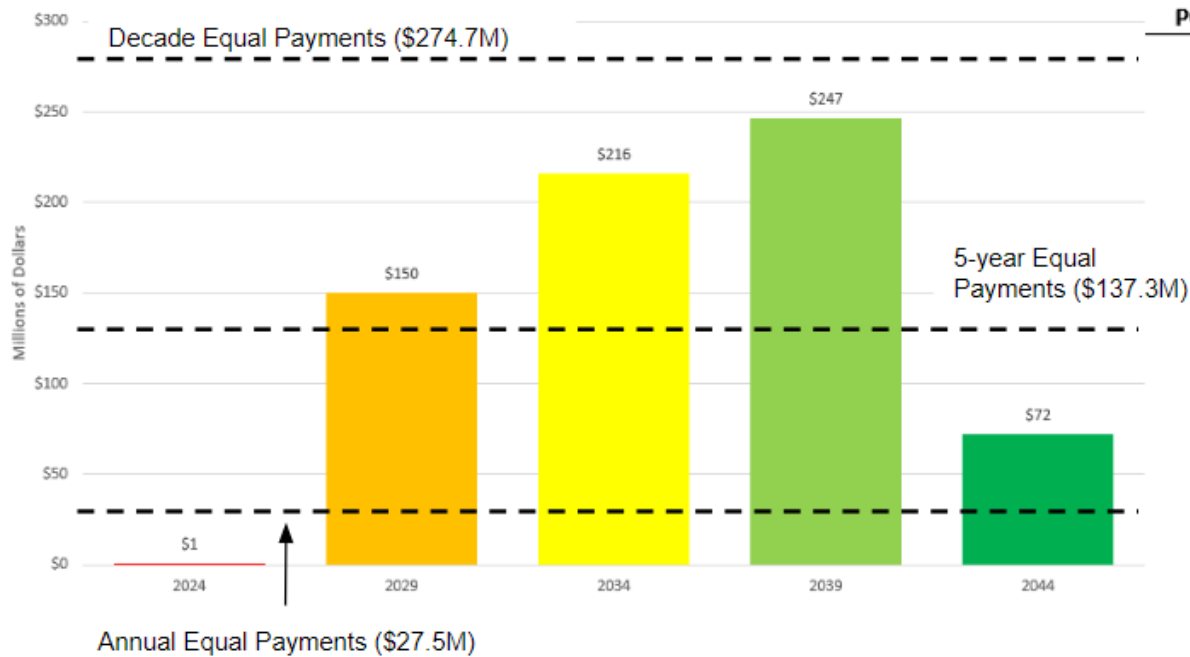
At the time of this study, Bryan has 352 centerline miles of city-owned streets today – roughly 915 11' lane-miles. **Using a replacement cost of \$750,000 per 11' lane mile, it would require over \$686 million to replace the existing streets when they reach the end of their life cycle. Averaged over 25 years, this would require the City to be saving or spending an average of \$27.5M per year on street reconstruction, which is over a third of its entire general fund revenues (\$73M). As additional development is built, the amount of streets to maintain and replace in the future will continue to increase.**



Pavement condition for streets in the City of Bryan (Source: City of Bryan)

ANALYSIS RESULTS (CITY OF BRYAN)

Because of the city’s past growth being a fairly steady pace over time, these liabilities are fairly evenly dispersed over future years (as compared to fast growth suburbs that added significant infrastructure over a 10-20 year period). This makes the effort to fund future maintenance and reconstruction much more manageable. The City has implemented an aggressive preventative maintenance program along with a combination of bond financing and street fees to close this gap. Continuing to track liabilities and utilize a combination of these revenue streams and prioritization of infill and higher value producing development will be important for the City to eventually get caught up.



PCI Grade	Associated Cost	Replacement Year
0-25	\$894,848	2024
25-65	\$149,988,561	2029
65-80	\$216,462,132	2034
80-90	\$246,889,495	2039
90-100	\$72,160,238	2044

Total Life Cycle Liability = \$686.4 M
(\$27.5M/yr over 25 years)

The majority of the City’s streets are in good condition, and therefore will not need major investment until 15-20 years from now. A proactive inspection and preventative maintenance program can extend the life of streets and give the City more time to build up funds. The cost to address streets in poor/fair condition exceed what the City is currently spending. Revenue from infill can help close this gap.

ANALYSIS RESULTS (CITY OF BRYAN)

Street Cost Allocation

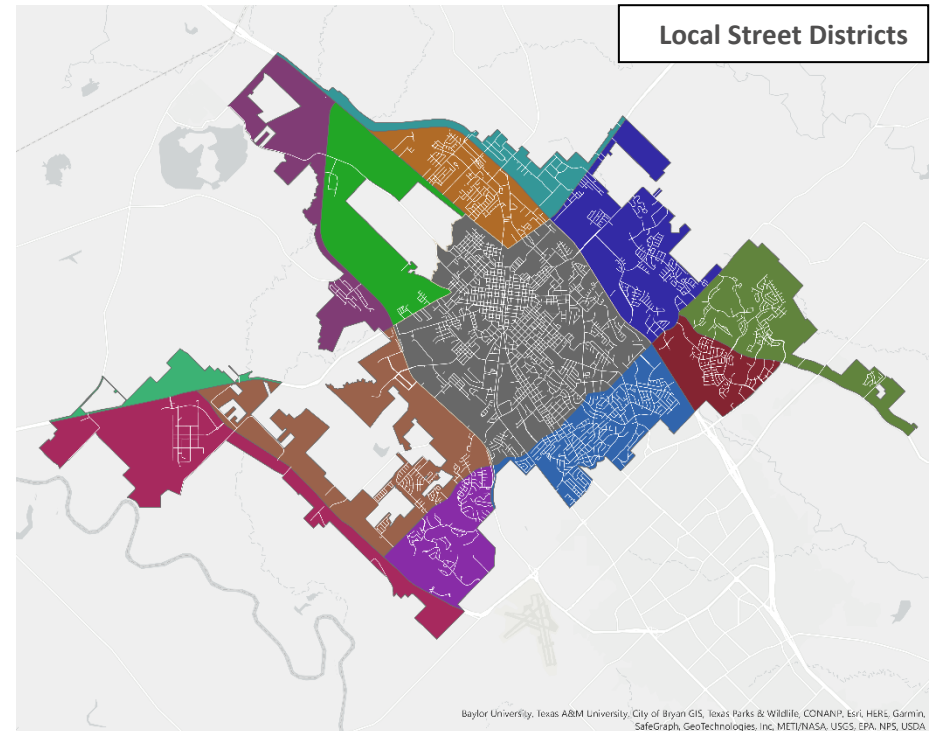
Future street costs were allocated using a three-step process. First, the average annual replacement costs (\$27.5M total) were separated into two categories: major thoroughfares and local streets. TxDOT roads were not included in the analysis, so additional funds need to be set aside for any cost sharing agreements with TxDOT or the County. Costs for thoroughfares were allocated across the entire city, since these roads are used by everyone in the city. Costs for local streets were allocated to subareas within the city, or “street districts” (as shown by the map to the right), with the logic being that the primary benefactors of local streets are the properties in the vicinity. Then costs in each category (citywide or street district) were allocated to parcels using served/unserved status and proportionate area.

Major Thoroughfare Costs (Citywide)

City Area (AC)	11' Lane Miles	Road Costs / Year	Year Costs per Acre
34,393	147	\$4,397,824	\$128

Local Street Costs by District

Road District	Area (AC)	11' Lane Miles	Road Costs / Year	Year Costs per Acre
1	273	12	\$358,616	\$1,314
2	334	2	\$53,433	\$160
3	245	47	\$1,398,739	\$5,716
4	155	9	\$278,220	\$1,789
5	408	56	\$1,668,029	\$4,086
6	1000	342	\$10,261,069	\$10,261
7	311	125	\$3,744,483	\$12,038
8	171	32	\$972,168	\$5,689
9	331	49	\$1,472,331	\$4,442
10	235	54	\$1,622,885	\$6,919
11	476	26	\$794,217	\$1,670
12	78	2	\$68,010	\$869
13	422	12	\$365,787	\$868

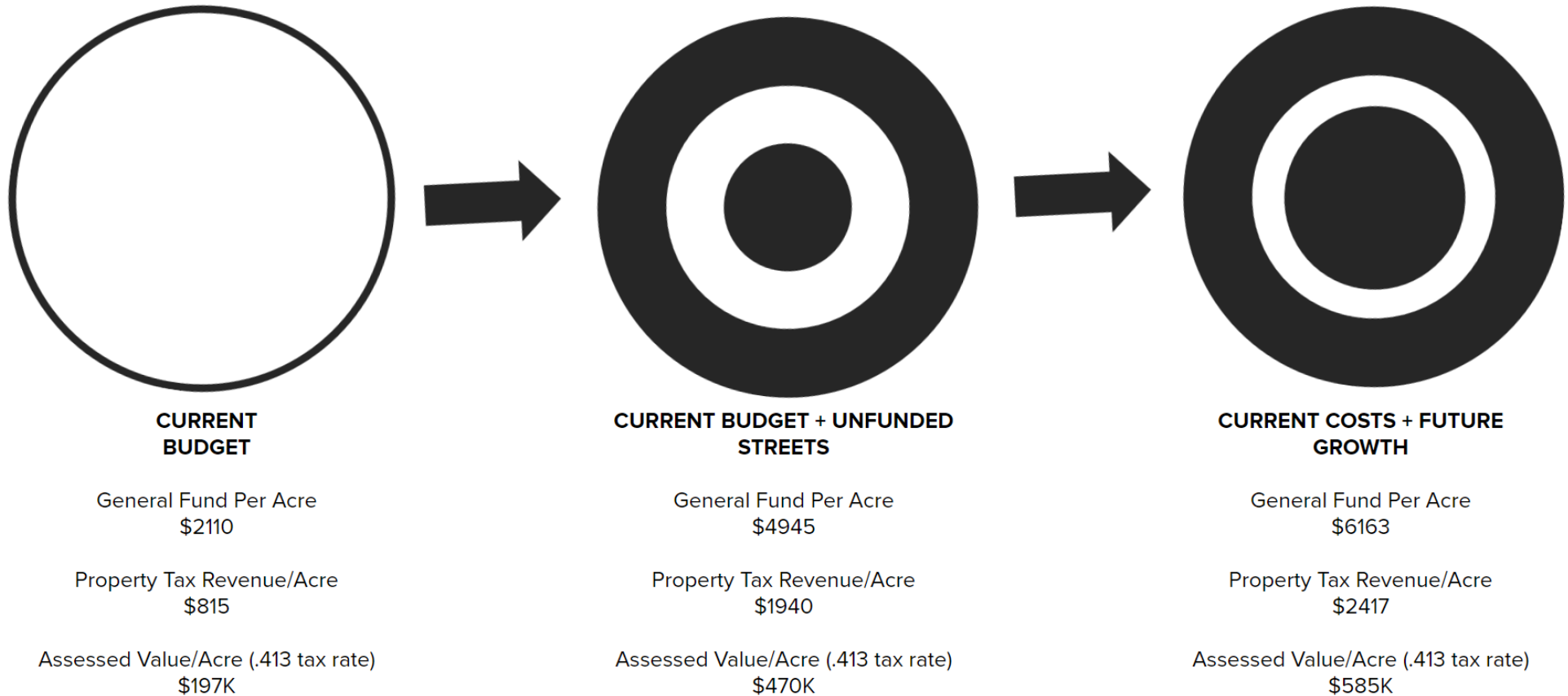


Planning for Future Needs

When evaluating the city’s general fund and cost obligations at a macro level, there are some key numbers to be aware of. First, based on the FY22 budget and city’s current service area and development pattern, the general fund per acre is around \$2100 and property tax revenue per acre is \$815. If the city wants to cover future street reconstruction liabilities with property tax at the current tax rate (recommended), it would need to increase the average property tax revenue/acre citywide to \$1940, and if property tax makes up the same 39% of the overall general fund as it does currently, this would mean the general fund per acre would need to be around \$5000.

If the city continues to add development on the periphery of the city that requires additional thoroughfares, local streets, and public services, these values could increase to more than \$2400/acre for property tax and a general fund per acre of \$6000 or more.

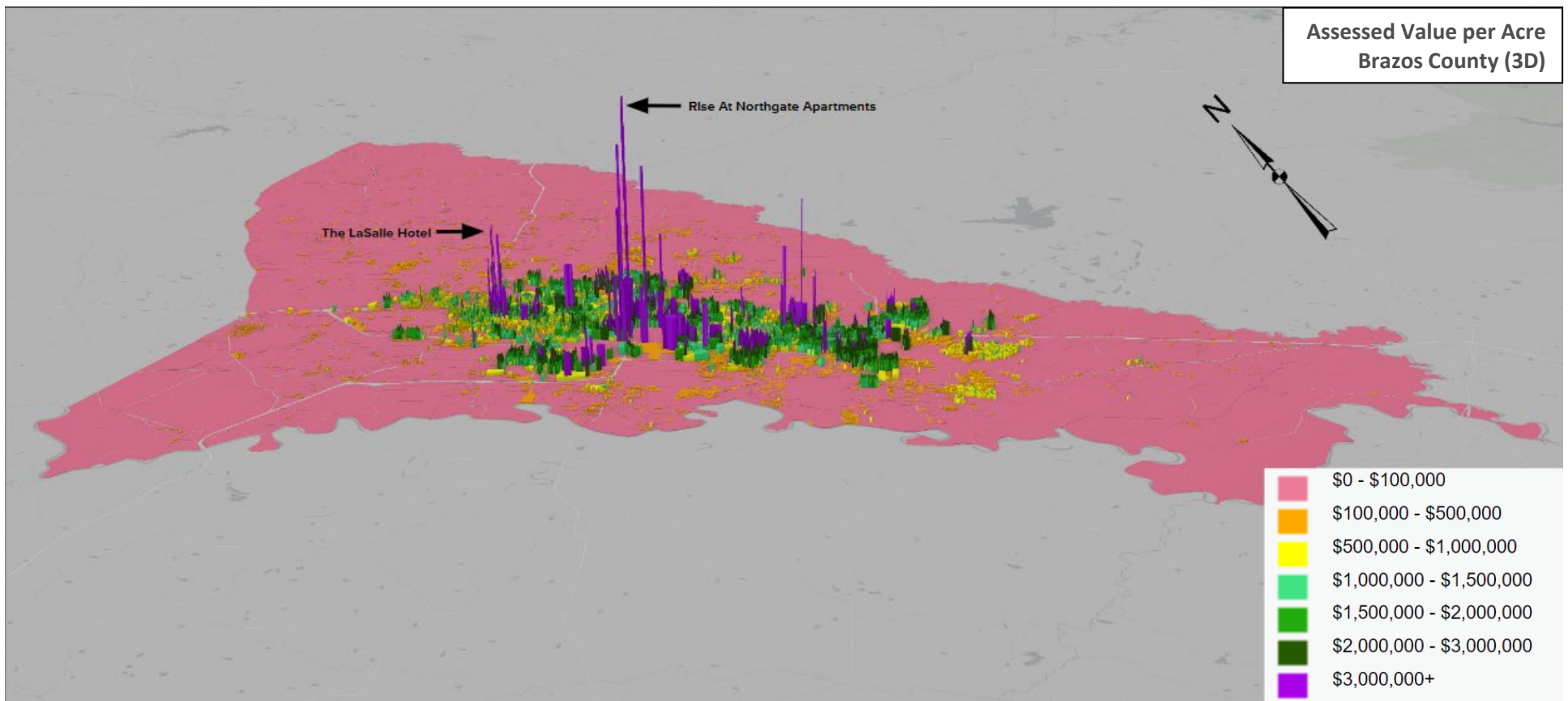
These higher values can be achieved by raising the tax rate or increasing other fees, but also through prioritizing new development that is more financially productive and infill that increases value capture in areas that already have infrastructure and services.



Property tax revenue per acre values assume the same % of general fund coming from property tax revenue as FY22/23 budget (39%)

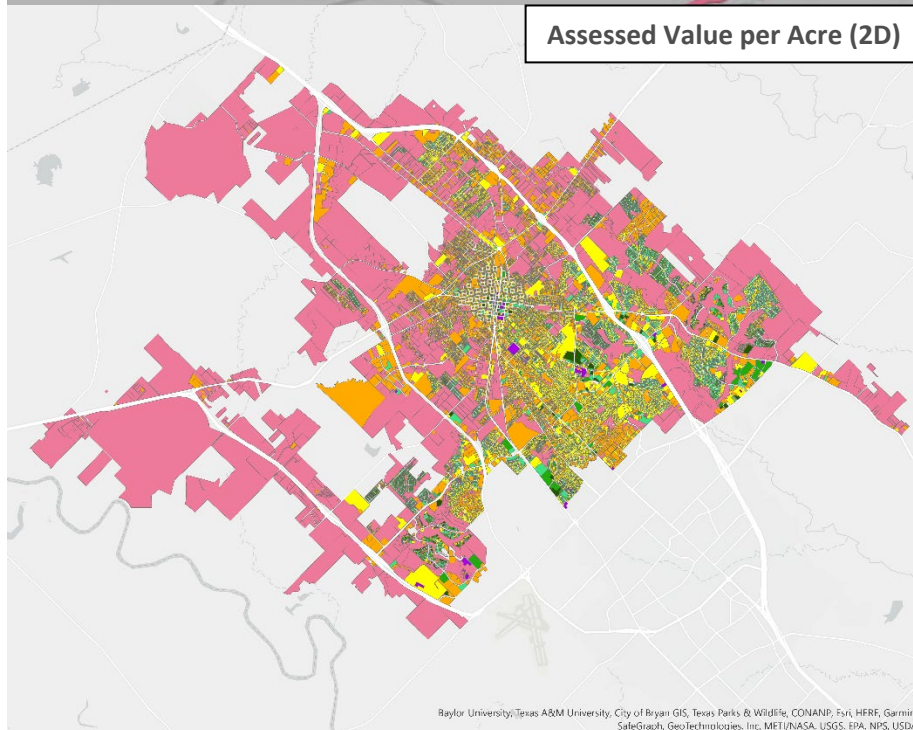
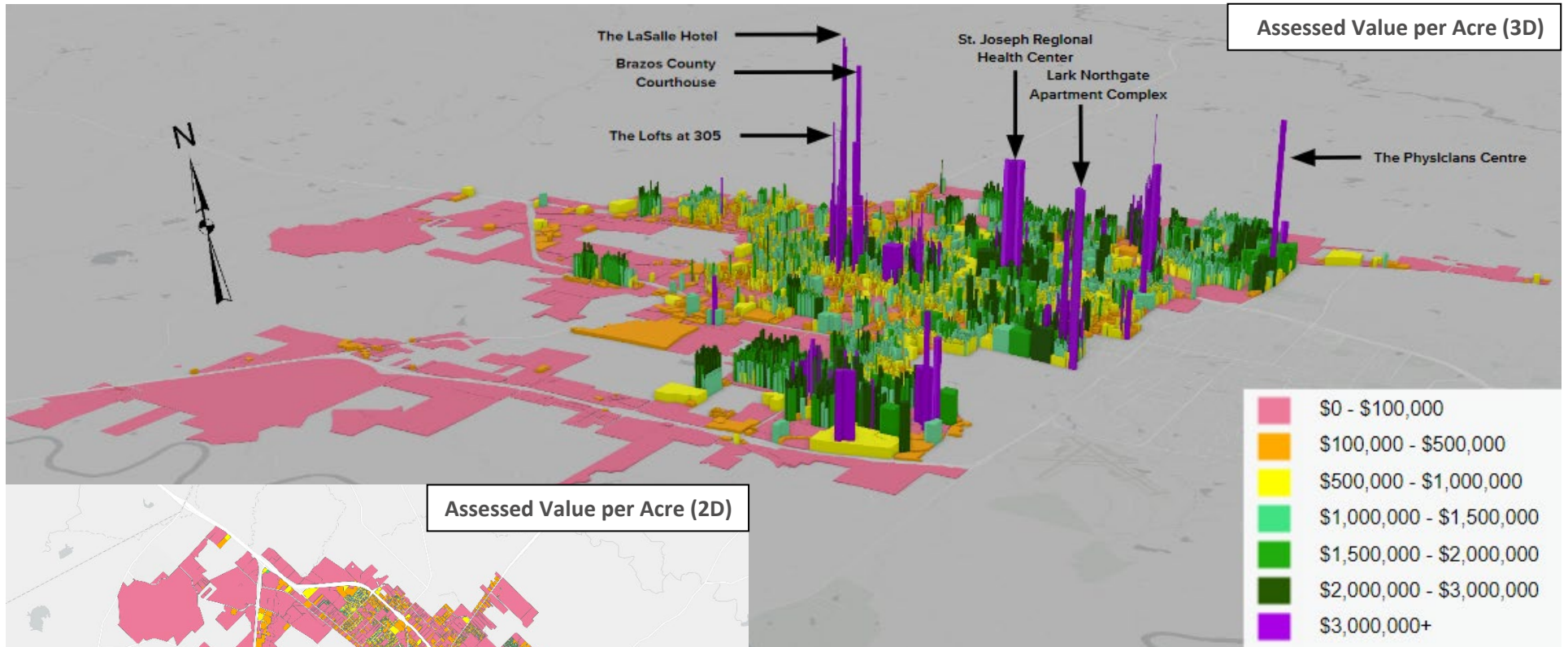
Assessed Value per Acre Mapping

Mapping the assessed value per acre of parcels provides the ability to compare the value of parcels across the County on an “apples to apples” basis before city tax rates, exemptions, and costs are incorporated into the analysis. This metric is calculated by taking the parcel’s assessed value and dividing it by the size of the parcel (in acres). In the maps below and on the following page, the parcels in purple are the ones with the highest assessed value per acre.



Assessed value per acre for Brazos County. (Data from Brazos Central Appraisal District)

ANALYSIS RESULTS (CITY OF BRYAN)



Above: Assessed value per acre for the City of Bryan (3D). (Data from Brazos Central Appraisal District)

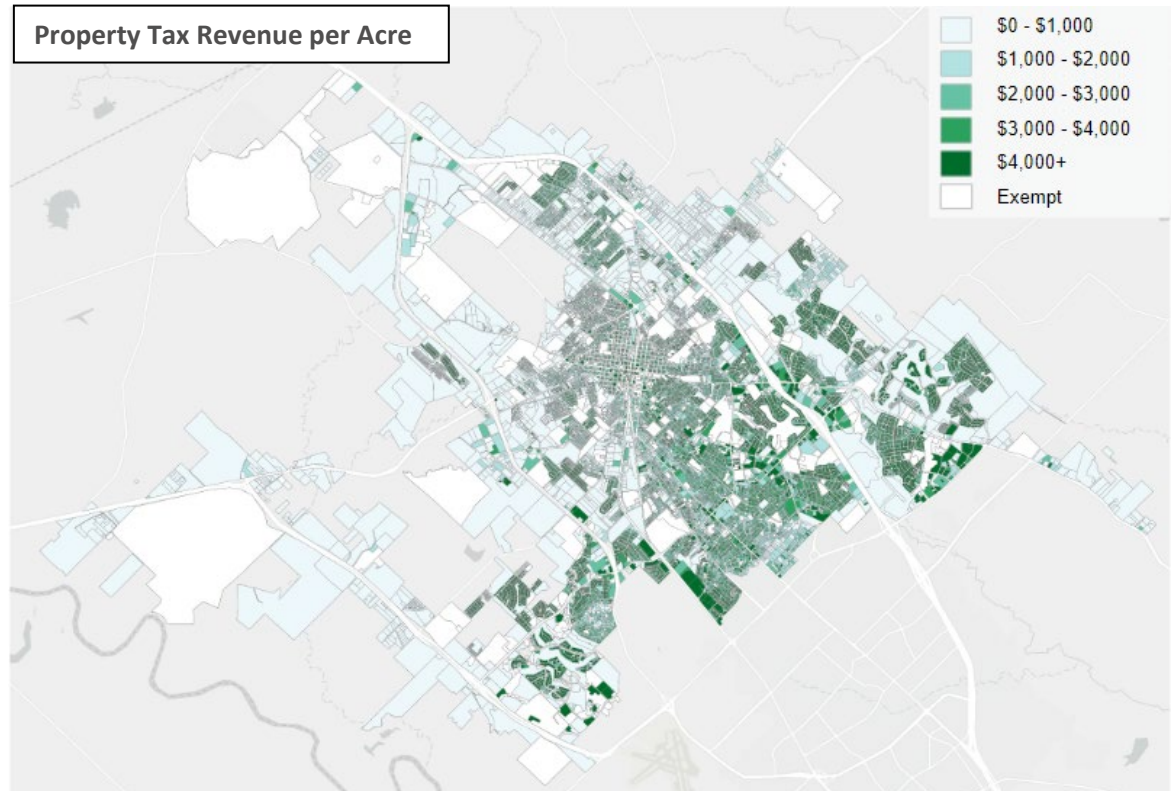
Left: Assessed value per acre for the City of Bryan (2D). (Data from Brazos Central Appraisal District)

Baylor University, Texas A&M University, City of Bryan GIS, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc., METI/NASA, USGS, EPA, NPS, USDA

Level 1 Analysis: Property Tax Revenue per Acre

The first level of the analysis process involves mapping the revenue side of the fiscal equation. Property data and property tax levy amounts were pulled directly from the County Appraisal District database files for the 2022 certified tax rolls. Levy amounts were verified with the City's adopted budget and then the appraised value, assessed value, and actual levy paid after exemptions were mapped to the parcel level. Exempt parcels such as City-owned properties, churches, and other tax-exempt areas such as street rights-of-way were removed from the analysis.

The map to the right illustrates the property tax levy per acre for parcels in Bryan. Three reference points are important when reviewing this map. First, the current property tax revenue per acre in the city is \$815/acre. In order to cover roughly half of the City's current (budgeted) general fund costs and replacement of existing streets with property tax revenue, the City needs to have an average levy per acre value of approximately \$1600/acre, or roughly double what it's currently getting. Finally, should the city continue to build out in a pattern similar to what's been built there so far, the average levy per acre value would need to be around \$2100/acre to cover half of the projected general fund service costs and street replacement costs. If future development is in a more spread out footprint with larger lots, wider suburban style roadways and more utility infrastructure, then the required levy/acre could be as high as \$3000.

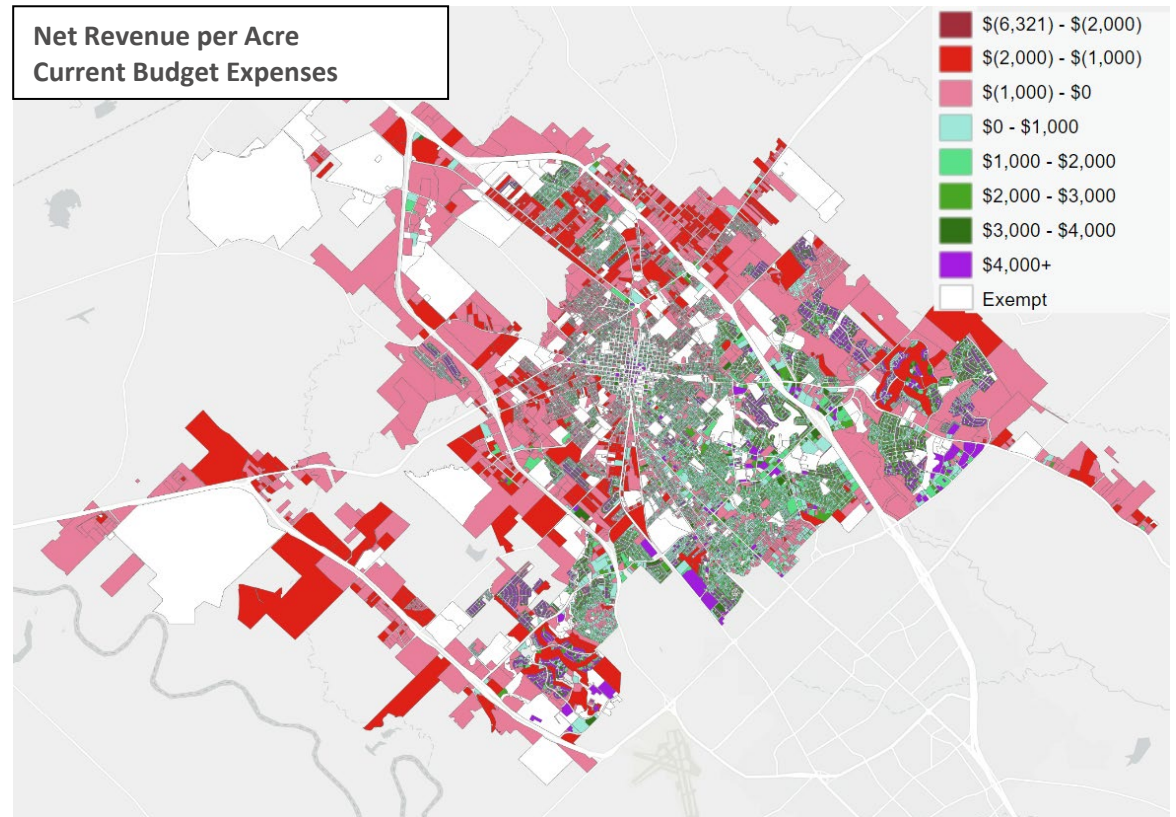


This map shows the property tax revenue per acre, which is calculated by dividing a parcel's tax levy revenue by the parcel's area. This per acre metric gives the ability to compare parcels on a more "apples to apples" basis.

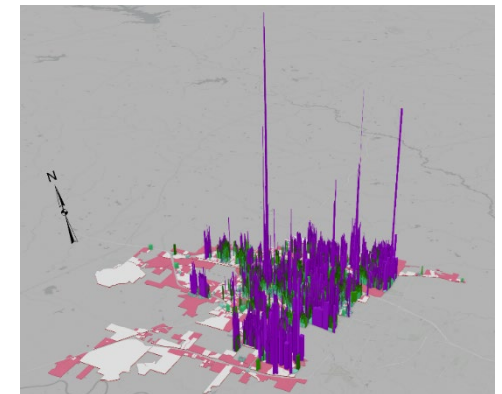
Level 2 Analysis: Net Value per Acre with Current Budget Expenditures

The revenue mapping alone does not tell the full story. In order to understand the fiscal impacts of different development patterns, costs for services and infrastructure must also be taken into account. The second level of analysis focuses on allocating general fund service costs from the current year's budget to the parcels. Only costs covered from the general fund and property taxes were considered in this analysis. Costs for water and wastewater infrastructure were not factored in, as those are typically funded through a separate enterprise fund tied to utility rates.

Adding costs to parcels helps illuminate which parcels generate surplus revenue based on current budget costs, and which ones cost more to serve than they generate in tax revenue. The maps to the right show the net value per acre for each parcel when you take the revenue the parcel generates and subtract the parcel's portion of general fund costs. Any parcels shown in red cost more to serve than they generate in property tax, while the parcels in the blue>green>purple spectrum are generating a surplus amount to cover current budget conditions.



These maps illustrate the net revenue per acre for current budget conditions. This is calculated by taking the property tax revenue/acre value and then subtracting the portion of general fund costs allocated to that parcel.

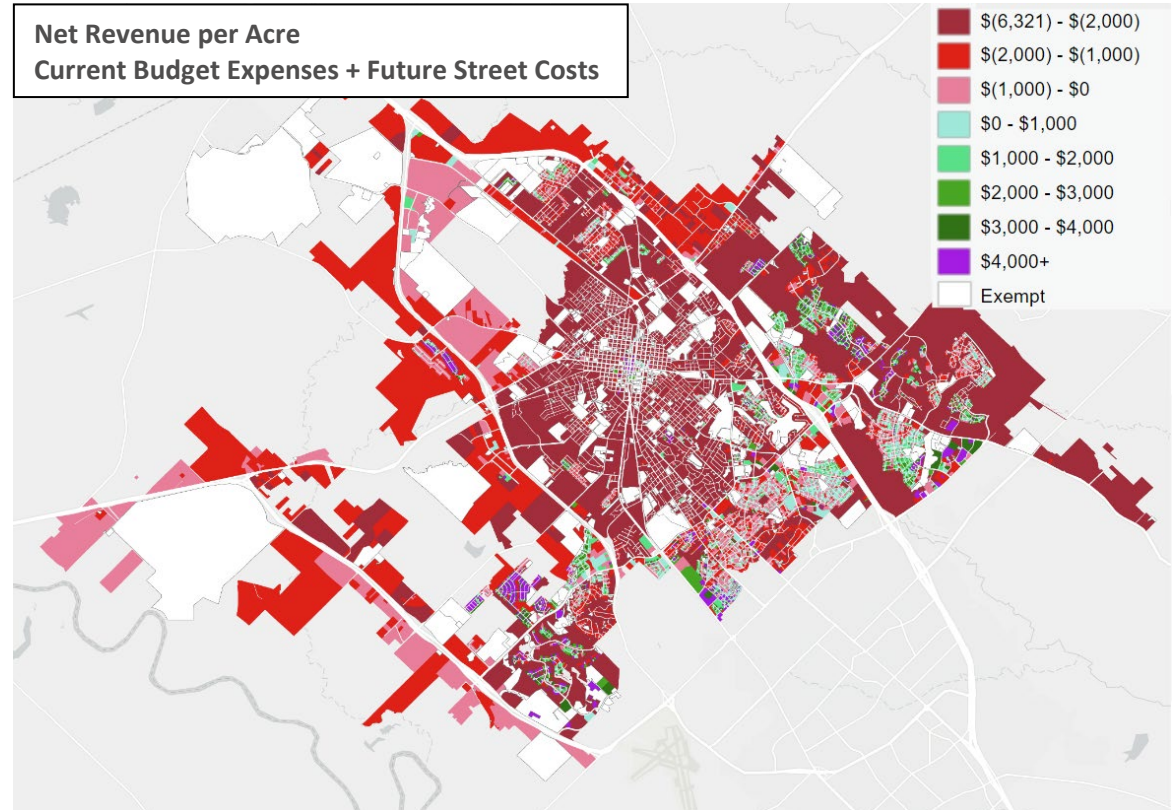


Level 3 Analysis: Net Value per Acre with Budget and Unfunded Street Replacement Costs

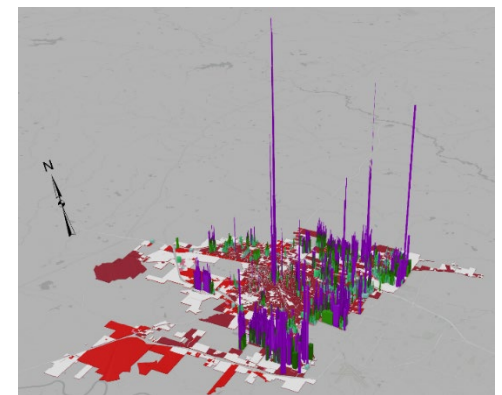
The final step in the fiscal analysis projects what additional revenue the city would need to replace existing streets when they reach the end of their life cycle. Typically, cities budget an annual amount for preventative maintenance and fund a few capital improvement (CIP) projects through bond programs every 3-5 years, but these two combined sources do not cover the full amount needed. While replacement costs are often out in the future, they are significant, and having a plan to reserve and build up funds annually will ensure the funding is there when it's needed.

The additional amount it would take for the city to replace existing street infrastructure was estimated to be roughly \$686 million over 25 years. A straight average over a 25-year life cycle for asphalt pavement was calculated, and then these additional costs were allocated to each parcel. This second version of the "red/green" map shows how different parcels and development patterns perform fiscally when considering the true infrastructure burden and assuming these costs are covered from property tax revenue. It's important to note that this step only accounts for replacement of existing streets and assumes that the city does not build or take on (from new development) any additional pavement, either through widening of existing roads or adding new ones.

This map and the supporting data demonstrate that under the current budget and tax rate structure, while there are some development patterns and properties in the city that generate a surplus, most of the city is not generating enough revenue to pay for the future replacement of streets.



These maps add unfunded future street liabilities and illustrate the net revenue per acre for current budget plus street costs. These are more reflective of how properties in the city perform when the full life cycle costs of development are accounted for.

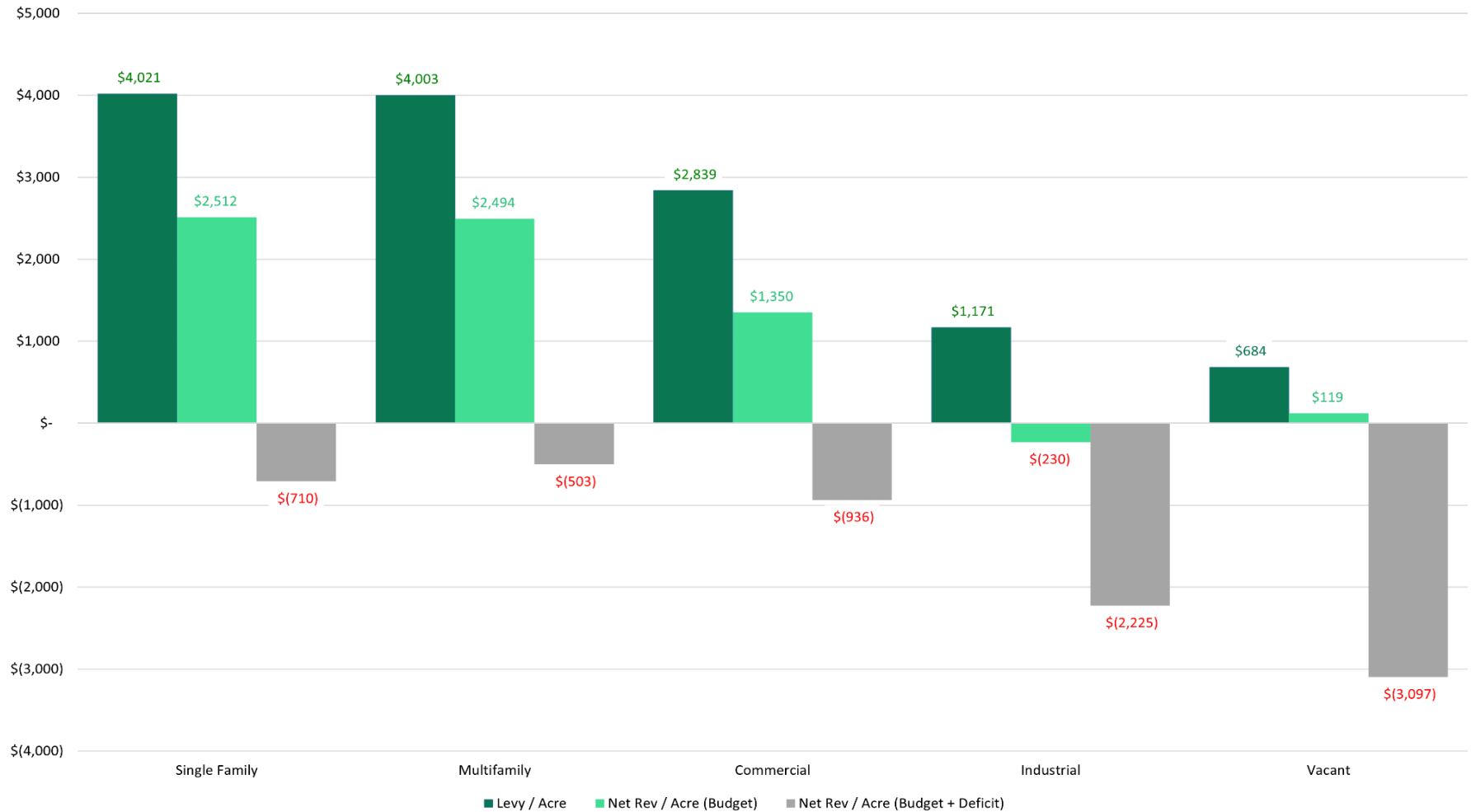


Land Use Productivity

While the maps are helpful in evaluating performance through a geographic context, the data can also be analyzed by land use, zoning district, and lot size. This information is helpful when wanting to explore how things like lot size and coverage, block configuration, and other characteristics of different development patterns impacts revenues, costs, and net productivity.

Land Use Productivity by Land Use Category

Bryan’s development footprint is well distributed across land use typologies, lot size, and context. This first chart illustrates that both single family and multifamily residential perform well in terms of net per acre for current budget conditions, but don’t quite generate enough to cover future street liabilities. Commercial, industrial, and vacant land uses decline in productivity.



Fiscal performance of parcels grouped by major land use categories. (Source: Brazos Central Appraisal District, City of Bryan, Verdunity)

ANALYSIS RESULTS (CITY OF BRYAN)

Land Use Productivity by Lot Size

Breaking the data down further to look at performance for different lot sizes within each land use provides additional insight. This table shows the revenue per acre (column 5), average improvement value (column 6), net/ac for current budget costs (column 7), and net/ac for current costs plus unfunded street costs (column 8) for various land use and lot size subsets.

The two smallest single family residential lot sizes (<2500sf and 2500-5000sf) perform positively even with future street costs considered, while every other use and lot configuration is negative for future conditions. In general, development on smaller lots, regardless of use, performs better.

Land Use	Lot Size (SF)	Revenue	Parcel Count	Average Imp		Current Budget:		Budget + St		
				Value	Rev / Acre	Net Rev / Acre	Costs Net / Acre			
Single Family Residential	Total	\$ 17,907,954	21,070	\$ 176,401	\$ 4,021	\$ 2,512	\$ (710)			
	0 - 2,500	\$ 89,221	140	\$ 130,428	\$ 26,146	\$ 24,611	\$ 21,631			
	2,500 - 5,000	\$ 815,268	1,329	\$ 128,409	\$ 6,610	\$ 5,087	\$ 1,119			
	5,000 - 7,000	\$ 2,871,585	4,471	\$ 139,969	\$ 4,735	\$ 3,258	\$ (91)			
	7,000 - 10,000	\$ 4,831,496	6,169	\$ 163,741	\$ 4,081	\$ 2,559	\$ (629)			
	10,000 - 25,000	\$ 7,168,844	7,497	\$ 197,301	\$ 3,172	\$ 1,652	\$ (1,531)			
	25,000 - 50,000	\$ 1,196,278	833	\$ 292,243	\$ 1,901	\$ 409	\$ (2,471)			
	>50,000	\$ 935,262	631	\$ 264,992	\$ 756	\$ (695)	\$ (2,718)			
	Multifamily Residential	Total	\$ 3,962,947	1,295	\$ 666,678	\$ 4,003	\$ 2,494	\$ (503)		
		0 - 10,000	\$ 572,819	771	\$ 137,565	\$ 4,256	\$ 2,708	\$ (396)		
10,000 - 25,000		\$ 415,574	402	\$ 205,104	\$ 3,404	\$ 1,858	\$ (936)			
25,000 - 50,000		\$ 98,785	31	\$ 656,316	\$ 3,765	\$ 2,247	\$ (709)			
50,000 - 75,000		\$ 66,032	15	\$ 932,753	\$ 3,627	\$ 2,078	\$ (1,007)			
75,000 - 100,000		\$ 98,423	12	\$ 1,783,742	\$ 4,581	\$ 3,032	\$ (372)			
100,000 - 200,000		\$ 304,772	19	\$ 4,019,478	\$ 5,945	\$ 4,396	\$ 1,551			
>200,000	\$ 2,406,541	45	\$ 12,038,472	\$ 5,694	\$ 4,145	\$ 1,241				
Commercial	Total	\$ 4,772,475	1,889	\$ 1,071,406	\$ 2,839	\$ 1,350	\$ (2,070)			
	0 - 10,000	\$ 167,753	280	\$ 128,220	\$ 5,795	\$ 4,375	\$ (132)			
	10,000 - 25,000	\$ 377,224	486	\$ 153,246	\$ 2,410	\$ 918	\$ (3,068)			
	25,000 - 50,000	\$ 686,061	355	\$ 379,033	\$ 2,624	\$ 1,110	\$ (2,204)			
	50,000 - 75,000	\$ 515,376	193	\$ 738,374	\$ 2,404	\$ 880	\$ (2,029)			
	75,000 - 100,000	\$ 454,360	125	\$ 853,008	\$ 2,178	\$ 657	\$ (1,845)			
	100,000 - 200,000	\$ 986,450	179	\$ 1,470,573	\$ 2,238	\$ 731	\$ (1,729)			
	>200,000	\$ 1,585,251	271	\$ 4,724,215	\$ 1,140	\$ (331)	\$ (2,742)			
	Industrial	Total	\$ 497,873	86	\$ 1,685,032	\$ 1,171	\$ (230)	\$ (2,225)		
		0 - 10,000	\$ 1,295	1	\$ 245,049	\$ 6,054	\$ 4,505	\$ (266)		
		10,000 - 25,000	\$ 2,750	7	\$ 73,106	\$ 1,176	\$ (94)	\$ (3,775)		
		25,000 - 50,000	\$ 25,037	16	\$ 371,113	\$ 1,592	\$ 165	\$ (2,458)		
		50,000 - 75,000	\$ 5,142	5	\$ 209,552	\$ 755	\$ (599)	\$ (2,950)		
		75,000 - 100,000	\$ 6,363	6	\$ 226,076	\$ 669	\$ (684)	\$ (2,103)		
		100,000 - 200,000	\$ 45,124	13	\$ 673,839	\$ 1,109	\$ (365)	\$ (2,600)		
>200,000		\$ 412,162	38	\$ 3,208,294	\$ 1,094	\$ (400)	\$ (1,656)			

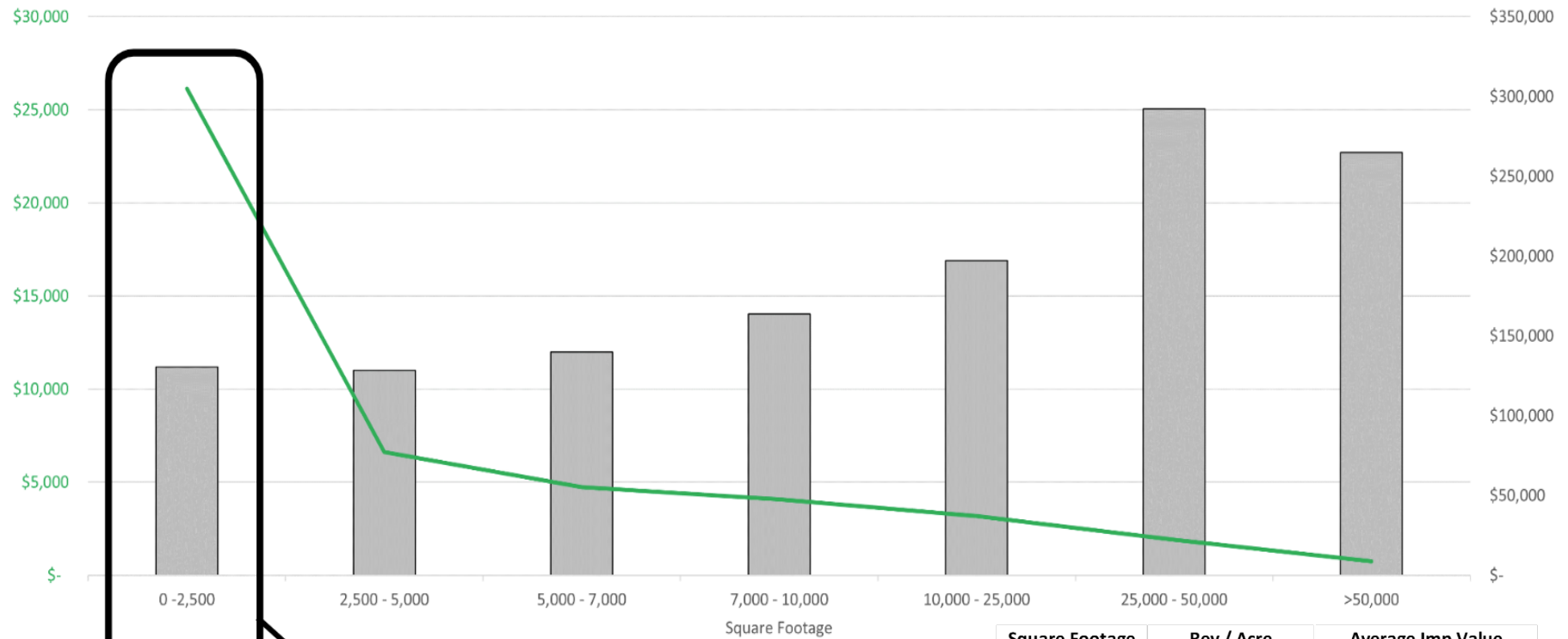
Right: Fiscal performance by land use and lot size
(Source: Brazos Central Appraisal District, City of Bryan, Verdunity)

The Win-Win of Small Development

Building smaller buildings on smaller lots consistently generates the highest tax revenue per acre to cities while also providing the most affordable housing options for residents. Bryan’s data shows this same result.

Single Family Residential

The chart below shows average improvement value by lot size (represented by the grey bars and the scale on the right axis) and the average revenue/acre for each lot size (represented by the green line and the scale on the left axis). The chart illustrates how the revenue per acre to the city declines as lot sizes increase, while the average home values increase as you go up in lot size.



The residential pattern that provides the highest value per acre to the City has the most compact lots and is also one of the more affordable options for residents.

Square Footage	Rev / Acre	Average Imp Value
All	\$ 4,021	\$ 176,401
0 - 2,500	\$ 26,146	\$ 130,428
2,500 - 5,000	\$ 6,610	\$ 128,409
5,000 - 7,000	\$ 4,735	\$ 139,969
7,000 - 10,000	\$ 4,081	\$ 163,741
10,000 - 25,000	\$ 3,172	\$ 197,301
25,000 - 50,000	\$ 1,901	\$ 292,243
>50,000	\$ 756	\$ 264,992

Property tax revenue per acre and average improvement value for single family residential properties by lot size (Source: Brazos Central Appraisal District, City of Bryan, Verdunity)

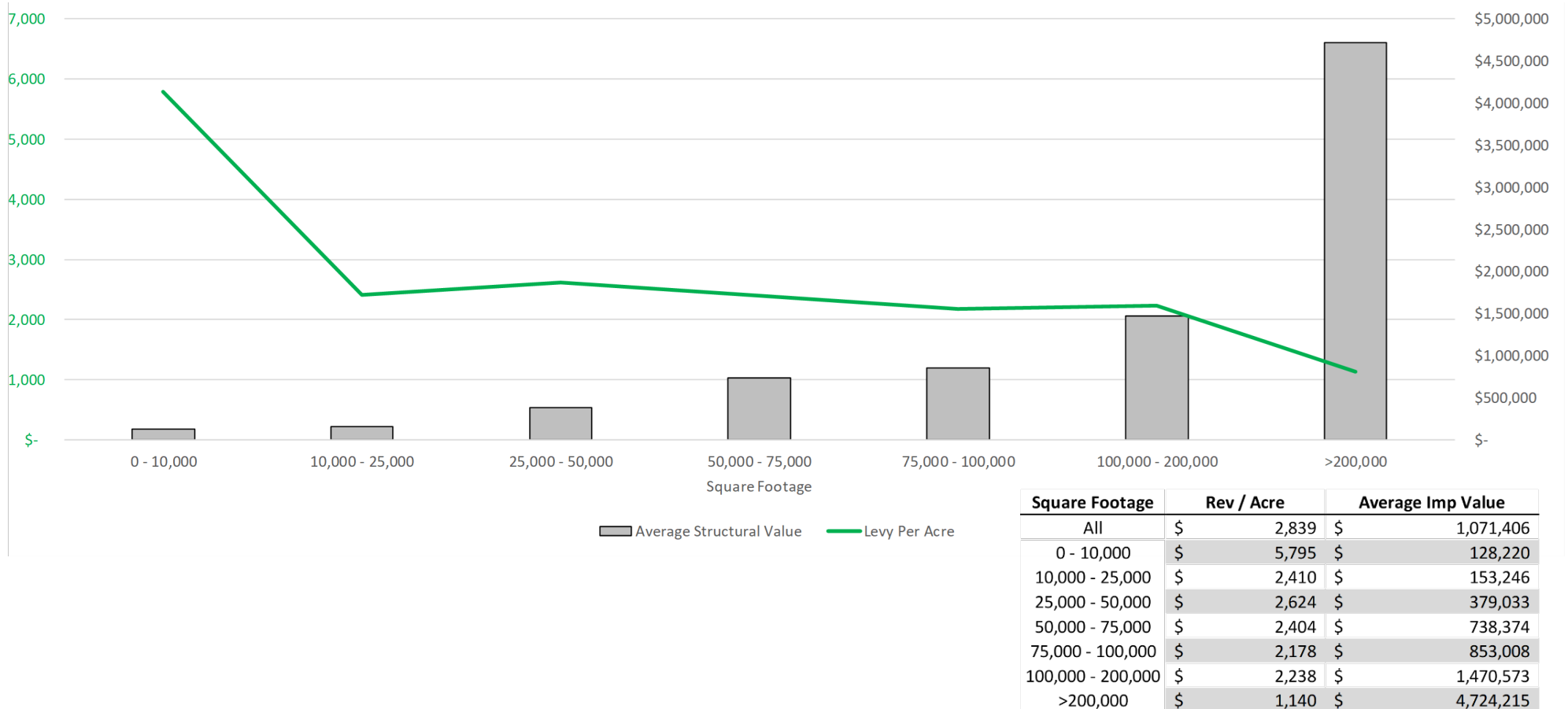
ANALYSIS RESULTS (CITY OF BRYAN)

Commercial

Commercial properties exhibit a similar trend. Just like residential, building smaller buildings on smaller lots generates the highest tax revenue per acre to the city while also being the most affordable.

In today’s environment where housing prices and commercial rents are rapidly rising and more residents and business owners are looking for more

affordable options, aligning development codes and incentives to provide more small development can be a very effective strategy. When these smaller lots are built in a more compact, walkable environment like a downtown or traditional mixed-use style neighborhood, the revenue per acre values can be even higher while still being affordable to build, rent, or own.

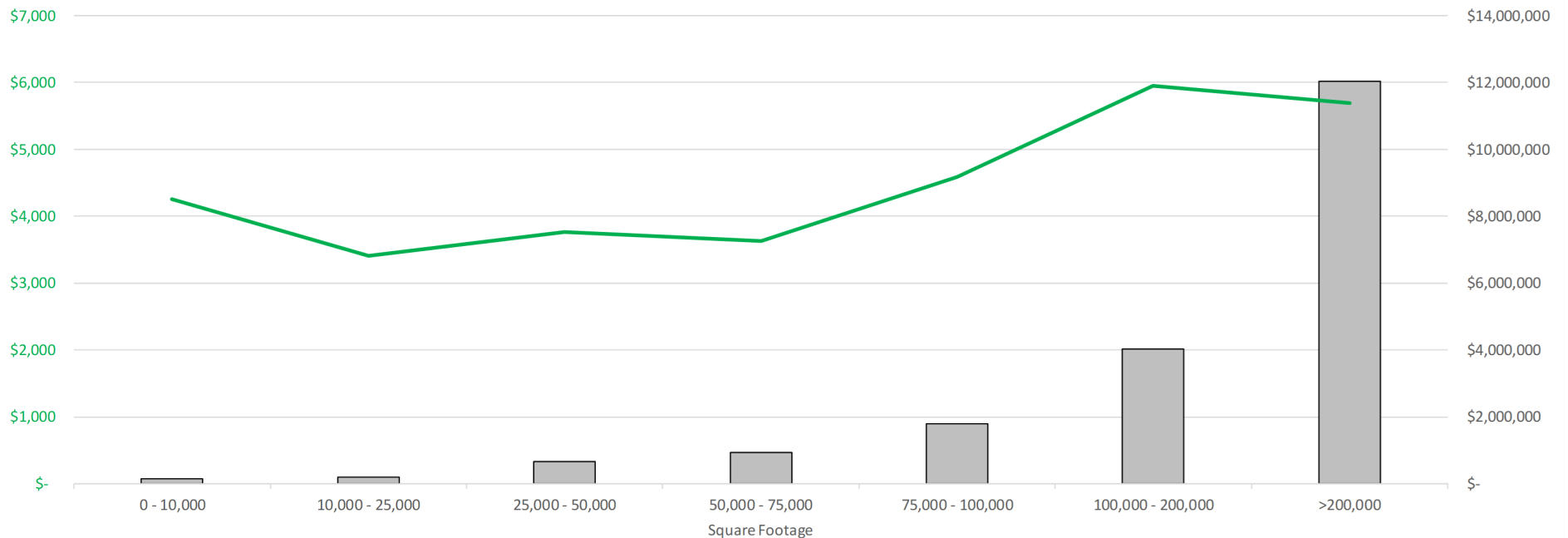


Property tax revenue per acre and average improvement value for commercial properties by lot size (Source: Brazos Central Appraisal District, City of Bryan, Verdunity)

ANALYSIS RESULTS (CITY OF BRYAN)

Multifamily

High density multifamily development generates similar revenue per acre values to what small lot single family residential produces, but lot sizes tend to be much larger. In addition to generating significant tax revenue to the city, multifamily residential helps to diversify housing options for residents. The higher density also helps support more commercial and employment options in the vicinity.



Legend: Average Structural Value (Grey Bar), Levy Per Acre (Green Line)

Square Footage	Rev / Acre	Average Imp Value
All	\$ 4,003	\$ 666,678
0 - 10,000	\$ 4,256	\$ 137,565
10,000 - 25,000	\$ 3,404	\$ 205,104
25,000 - 50,000	\$ 3,765	\$ 656,316
50,000 - 75,000	\$ 3,627	\$ 932,753
75,000 - 100,000	\$ 4,581	\$ 1,783,742
100,000 - 200,000	\$ 5,945	\$ 4,019,478
>200,000	\$ 5,694	\$ 12,038,472

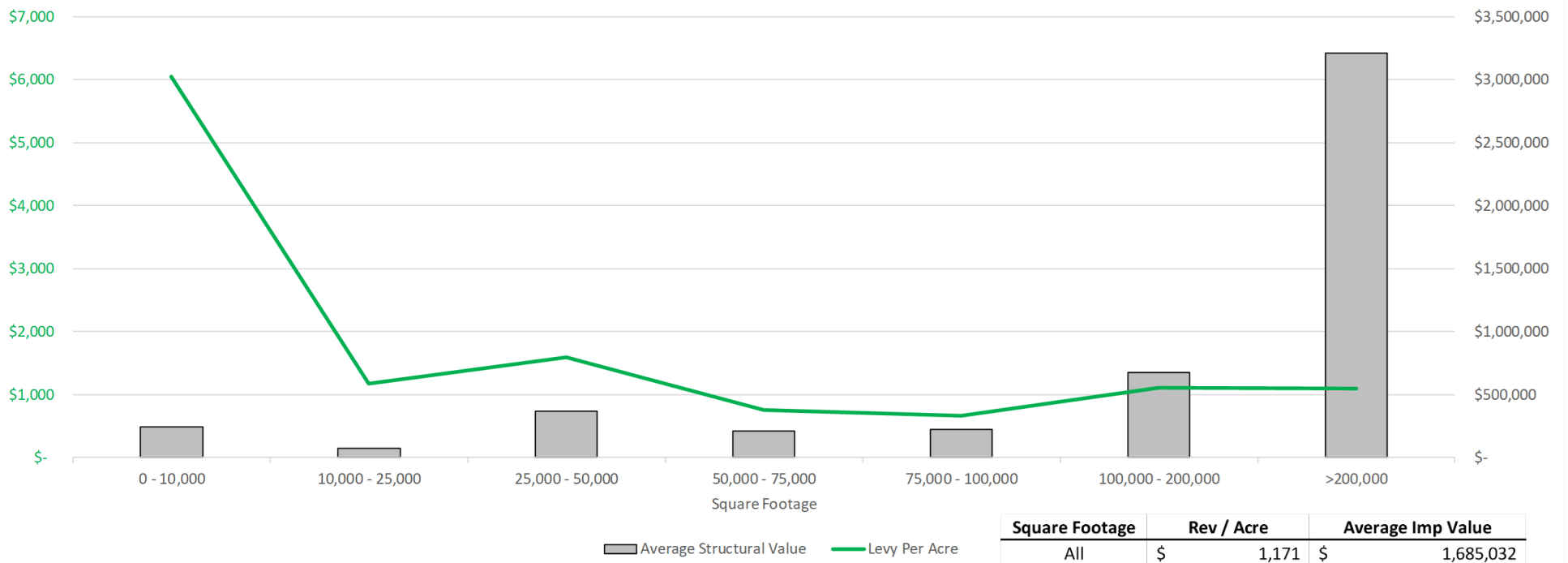
Property tax revenue per acre and average improvement value for multifamily residential properties by lot size (Source: Brazos Central Appraisal District, City of Bryan, Verdunity)

ANALYSIS RESULTS (CITY OF BRYAN)

Industrial

Industrial development generates the lowest property tax revenue per acre of the developed land use categories. This land use tends to consume large areas of land and has lower value single story structures and large parking lots, which when combined together result in low value and property tax revenue per acre. However, industrial properties bring value to the city in other ways, including providing a significant number of jobs and producing

sales tax, so efforts in the future should focus on evaluating opportunities to improve the property tax revenue per acre where possible.



Square Footage	Rev / Acre	Average Imp Value
All	\$ 1,171	\$ 1,685,032
0 - 10,000	\$ 6,054	\$ 245,049
10,000 - 25,000	\$ 1,176	\$ 73,106
25,000 - 50,000	\$ 1,592	\$ 371,113
50,000 - 75,000	\$ 755	\$ 209,552
75,000 - 100,000	\$ 669	\$ 226,076
100,000 - 200,000	\$ 1,109	\$ 673,839
>200,000	\$ 1,094	\$ 3,208,294

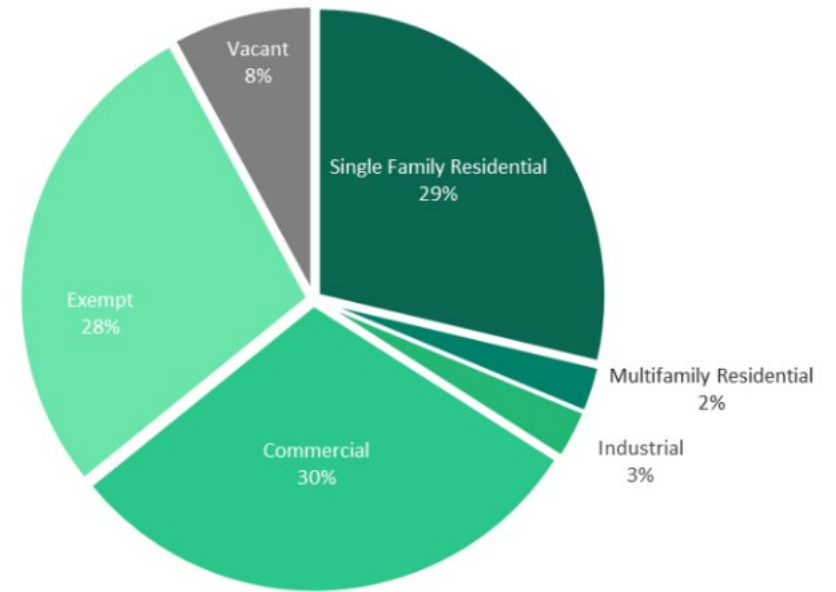
Property tax revenue per acre and average improvement value for industrial properties by lot size (Source: Brazos Central Appraisal District, City of Bryan, Verdunity)

Land Use and Revenue Distribution

The majority of Bryan’s land area is split between commercial (30%), single family residential (29%), and exempt (28%) properties. Only 8% of the land inside the city limits is vacant. Industrial (3%) and multifamily (2%) make up the remainder.

While making up just under a third of the city’s land area, single family residential properties generate 64% of the city’s property tax revenue. The land use with the largest acreage, commercial, generates just 17% of the city’s property tax. Multifamily properties account for 14% of the city’s property tax revenue, while only consuming 2% of the city’s land area.

Charts on the following pages break down land area, parcel count, and revenue for each of the land use categories.



Land use distribution within Bryan’s city limits. (Source: Brazos Central Appraisal District)

Land Use	% Revenue
Single Family	64%
Multifamily	14%
Commercial	17%
Industrial	2%
Exempt	0%
Vacant	3%

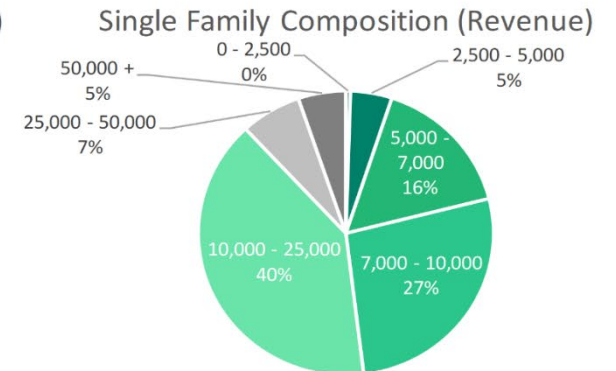
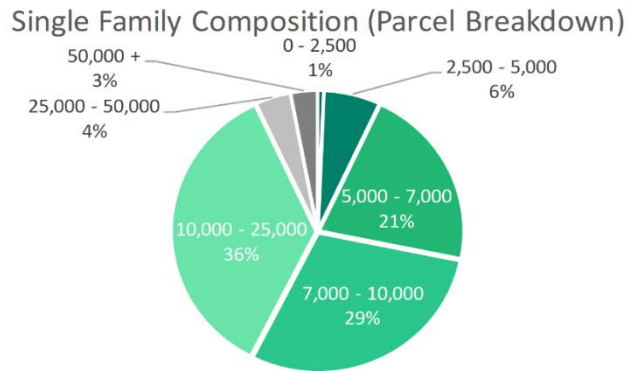
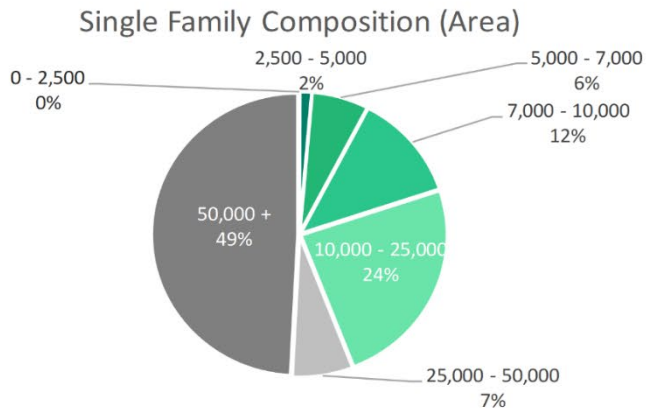
Percent of Bryan’s property tax revenue by land use category. (Source: Brazos Central Appraisal District)

ANALYSIS RESULTS (CITY OF BRYAN)

Single Family Residential

The table and pie charts below show how the single family properties in Bryan break down in acreage, parcel count, and property tax revenue. The most fiscally productive category (<2500sf lots) has only 140 parcels. Larger lots of greater than 10,000sf make up the majority of the land area and revenue. However, these lot sizes have lower revenue and net per acre values. Building more single family lots in the 2500-7000sf range would increase tax revenues to cover current and future costs while keeping housing affordable.

Land Use	Lot Size (SF)	Revenue	Parcel Count	Average Imp Value	Rev / Acre	Current Budget: Net Rev / Acre	Budget + St Costs Net / Acre
Single Family Residential	Total	\$ 17,907,954	21,070	\$ 176,401	\$ 4,021	\$ 2,512	\$ (710)
	0 - 2,500	\$ 89,221	140	\$ 130,428	\$ 26,146	\$ 24,611	\$ 21,631
	2,500 - 5,000	\$ 815,268	1,329	\$ 128,409	\$ 6,610	\$ 5,087	\$ 1,119
	5,000 - 7,000	\$ 2,871,585	4,471	\$ 139,969	\$ 4,735	\$ 3,258	\$ (91)
	7,000 - 10,000	\$ 4,831,496	6,169	\$ 163,741	\$ 4,081	\$ 2,559	\$ (629)
	10,000 - 25,000	\$ 7,168,844	7,497	\$ 197,301	\$ 3,172	\$ 1,652	\$ (1,531)
	25,000 - 50,000	\$ 1,196,278	833	\$ 292,243	\$ 1,901	\$ 409	\$ (2,471)
	>50,000	\$ 935,262	631	\$ 264,992	\$ 756	\$ (695)	\$ (2,718)



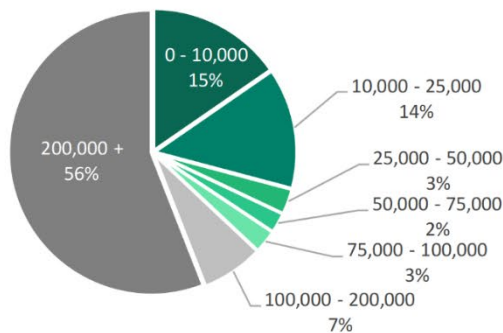
ANALYSIS RESULTS (CITY OF BRYAN)

Multifamily Residential

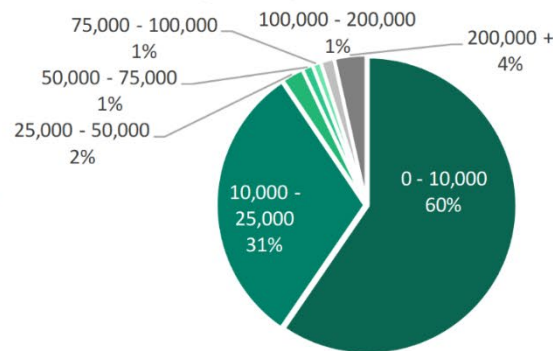
The table and pie charts below show how the multifamily properties in Bryan break down in acreage, parcel count, and property tax revenue. The largest lots consume the most area, have positive net per acre, and produce the most revenue. The majority (91%) of Bryan’s multifamily properties are under 25,000sf. These properties don’t generate as much in total revenue, but the structures are more affordable, and they have reasonable revenue and net per acre.

Land Use	Lot Size (SF)	Revenue	Parcel Count	Average Imp		Current Budget:		Budget + St	
				Value	Rev / Acre	Net Rev / Acre	Costs Net / Acre		
Multifamily Residential	Total	\$ 3,962,947	1,295	\$ 666,678	\$ 4,003	\$ 2,494	\$ (503)		
	0 - 10,000	\$ 572,819	771	\$ 137,565	\$ 4,256	\$ 2,708	\$ (396)		
	10,000 - 25,000	\$ 415,574	402	\$ 205,104	\$ 3,404	\$ 1,858	\$ (936)		
	25,000 - 50,000	\$ 98,785	31	\$ 656,316	\$ 3,765	\$ 2,247	\$ (709)		
	50,000 - 75,000	\$ 66,032	15	\$ 932,753	\$ 3,627	\$ 2,078	\$ (1,007)		
	75,000 - 100,000	\$ 98,423	12	\$ 1,783,742	\$ 4,581	\$ 3,032	\$ (372)		
	100,000 - 200,000	\$ 304,772	19	\$ 4,019,478	\$ 5,945	\$ 4,396	\$ 1,551		
	>200,000	\$ 2,406,541	45	\$ 12,038,472	\$ 5,694	\$ 4,145	\$ 1,241		

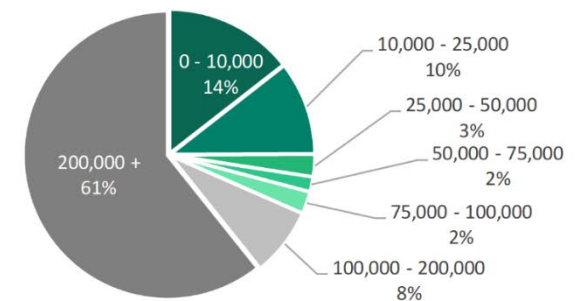
Multifamily Composition (Area)



Multifamily Composition (Parcel Breakdown)



Multifamily Composition (Revenue)



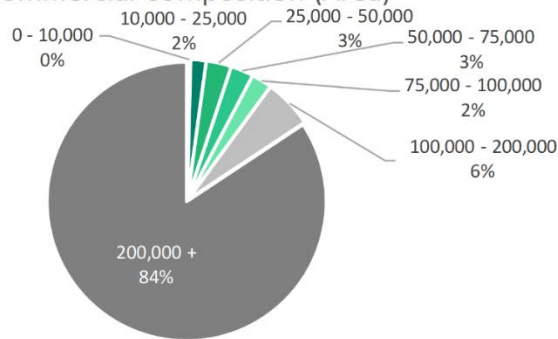
ANALYSIS RESULTS (CITY OF BRYAN)

Commercial

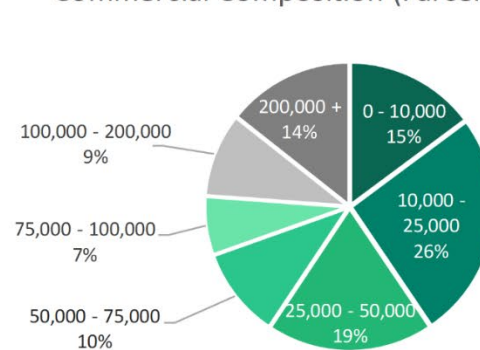
The table and pie charts below show how the commercial properties in Bryan break down in acreage, parcel count, and property tax revenue. Commercial properties are distributed fairly equally across different lot sizes. None of the subsets generate a positive net per acres when future street costs are included, but all but the largest lot subset generate sufficient revenue to cover current budget costs. The largest lots (>100,000sf) generate over half of the property tax revenue in this category.

Land Use	Lot Size (SF)	Revenue	Parcel Count	Average Imp Value	Rev / Acre	Current Budget: Net Rev / Acre	Budget + St Costs Net / Acre
Commercial	Total	\$ 4,772,475	1,889	\$ 1,071,406	\$ 2,839	\$ 1,350	\$ (2,070)
	0 - 10,000	\$ 167,753	280	\$ 128,220	\$ 5,795	\$ 4,375	\$ (132)
	10,000 - 25,000	\$ 377,224	486	\$ 153,246	\$ 2,410	\$ 918	\$ (3,068)
	25,000 - 50,000	\$ 686,061	355	\$ 379,033	\$ 2,624	\$ 1,110	\$ (2,204)
	50,000 - 75,000	\$ 515,376	193	\$ 738,374	\$ 2,404	\$ 880	\$ (2,029)
	75,000 - 100,000	\$ 454,360	125	\$ 853,008	\$ 2,178	\$ 657	\$ (1,845)
	100,000 - 200,000	\$ 986,450	179	\$ 1,470,573	\$ 2,238	\$ 731	\$ (1,729)
	>200,000	\$ 1,585,251	271	\$ 4,724,215	\$ 1,140	\$ (331)	\$ (2,742)

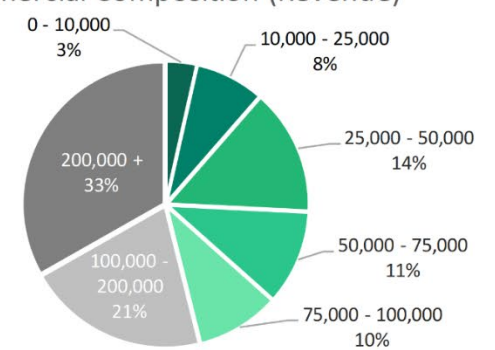
Commercial Composition (Area)



Commercial Composition (Parcel Breakdown)



Commercial Composition (Revenue)

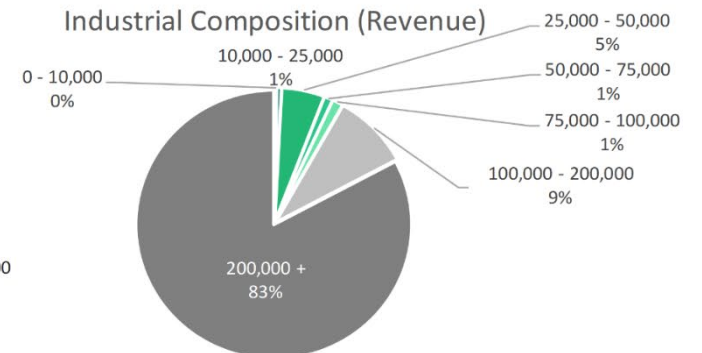
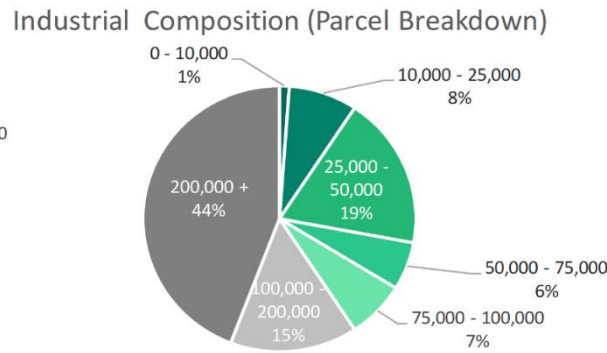
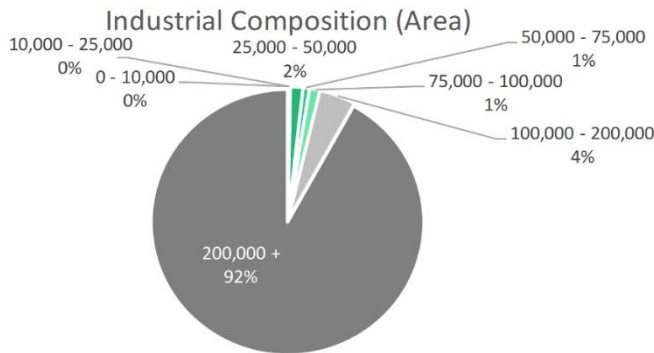


ANALYSIS RESULTS (CITY OF BRYAN)

Industrial

The table and pie charts below show how the industrial properties in Bryan break down in acreage, parcel count, and property tax revenue. There are only 86 industrial properties in Bryan. Nearly half of these are on lots of 200,000sf or greater, and these properties account for 83% of the revenue in this category.

Land Use	Lot Size (SF)	Revenue	Parcel Count	Average Imp Value	Rev / Acre	Current Budget: Net Rev / Acre	Budget + St Costs Net / Acre
Industrial	Total	\$ 497,873	86	\$ 1,685,032	\$ 1,171	\$ (230)	\$ (2,225)
	0 - 10,000	\$ 1,295	1	\$ 245,049	\$ 6,054	\$ 4,505	\$ (266)
	10,000 - 25,000	\$ 2,750	7	\$ 73,106	\$ 1,176	\$ (94)	\$ (3,775)
	25,000 - 50,000	\$ 25,037	16	\$ 371,113	\$ 1,592	\$ 165	\$ (2,458)
	50,000 - 75,000	\$ 5,142	5	\$ 209,552	\$ 755	\$ (599)	\$ (2,950)
	75,000 - 100,000	\$ 6,363	6	\$ 226,076	\$ 669	\$ (684)	\$ (2,103)
	100,000 - 200,000	\$ 45,124	13	\$ 673,839	\$ 1,109	\$ (365)	\$ (2,600)
	>200,000	\$ 412,162	38	\$ 3,208,294	\$ 1,094	\$ (400)	\$ (1,656)



Zoning District Analysis

The data was also organized and analyzed for each of the city's zoning districts. The tables on the next several pages show the revenue per acre (column 5), average improvement value (column 6), net/ac for current budget costs (column 7), and net/ac for current costs plus unfunded street costs (column 8) for each of the zoning districts. This information can be referenced along with the land use breakdowns on previous pages to glean more nuanced details on various development patterns in the city.

The most fiscally productive districts in the city are the Downtown, Multifamily, and Midtown-High Density districts.

ANALYSIS RESULTS (CITY OF BRYAN)

Zone	Lot Size (SF)	Revenue	Parcel Count	Average Imp Value	Rev / Acre	Current Budget: Net Rev / Acre	Budget + St Costs Net / Acre
Agricultural Open	Total	\$ 344,125	482	\$ 787,543	\$ 517	\$ (563)	\$ (2,430)
A-O	0 - 10,000	\$ 2,132	20	\$ 63,867	\$ 822	\$ 32	\$ (1,839)
	10,000 - 20,000	\$ 11,263	47	\$ 86,923	\$ 815	\$ (173)	\$ (1,766)
	20,000 - 30,000	\$ 14,710	25	\$ 142,860	\$ 987	\$ (327)	\$ (2,240)
	30,000 - 40,000	\$ 17,284	21	\$ 196,677	\$ 1,046	\$ (224)	\$ (1,909)
	>40,000	\$ 298,736	369	\$ 987,084	\$ 384	\$ (696)	\$ (2,611)
Office	Total	\$ 356,914	157	\$ 654,453	\$ 3,420	\$ 2,069	\$ (2,360)
C-1	0 - 10,000	\$ 23,687	46	\$ 151,789	\$ 4,597	\$ 3,173	\$ (1,446)
	10,000 - 20,000	\$ 36,976	42	\$ 211,593	\$ 3,222	\$ 1,779	\$ (2,913)
	20,000 - 30,000	\$ 19,704	16	\$ 278,551	\$ 2,626	\$ 1,356	\$ (3,080)
	30,000 - 40,000	\$ 35,541	5	\$ 422,252	\$ 1,392	\$ 429	\$ (3,847)
	>40,000	\$ 241,007	48	\$ 1,758,934	\$ 2,965	\$ 1,699	\$ (2,299)
Retail	Total	\$ 1,388,691	461	\$ 1,296,332	\$ 2,637	\$ 1,290	\$ (1,821)
C-2	0 - 10,000	\$ 27,861	55	\$ 111,540	\$ 2,881	\$ 1,646	\$ (1,887)
	10,000 - 20,000	\$ 86,467	105	\$ 142,490	\$ 2,572	\$ 1,167	\$ (2,191)
	20,000 - 30,000	\$ 76,907	63	\$ 226,860	\$ 2,232	\$ 914	\$ (2,171)
	30,000 - 40,000	\$ 74,078	35	\$ 377,285	\$ 2,659	\$ 1,277	\$ (1,369)
	>40,000	\$ 1,123,378	203	\$ 2,725,543	\$ 2,730	\$ 1,381	\$ (1,566)

ANALYSIS RESULTS (CITY OF BRYAN)

Zone	Lot Size (SF)	Revenue	Parcel Count	Average Imp		Current Budget:		Budget + St	
				Value	Rev / Acre	Net Rev / Acre	Costs Net / Acre		
Commercial C-3	Total	\$ 1,425,554	1,005	\$ 392,066	\$ 1,672	\$ 353	\$ (3,307)		
	0 - 10,000	\$ 100,449	325	\$ 80,223	\$ 2,103	\$ 848	\$ (3,539)		
	10,000 - 20,000	\$ 101,296	203	\$ 99,596	\$ 1,624	\$ 286	\$ (3,774)		
	20,000 - 30,000	\$ 63,787	103	\$ 130,541	\$ 1,253	\$ (41)	\$ (3,793)		
	30,000 - 40,000	\$ 86,347	51	\$ 319,996	\$ 2,289	\$ 842	\$ (2,769)		
	>40,000	\$ 1,073,674	323	\$ 928,431	\$ 1,273	\$ (91)	\$ (2,674)		
Downtown Civic DT-C	Total	\$ 32,404	27	\$ 3,195,988	\$ 4,994	\$ 3,575	\$ (1,196)		
	0 - 10,000	\$ 3,946	5	\$ 266,937	\$ 4,996	\$ 3,838	\$ (934)		
	10,000 - 20,000	\$ 9,714	7	\$ 307,948	\$ 4,551	\$ 3,002	\$ (1,770)		
	20,000 - 30,000	\$ 3,402	4	\$ 569,590	\$ 3,409	\$ 1,860	\$ (2,912)		
	30,000 - 40,000	\$ 7,387	2	\$ 801,538	\$ 9,129	\$ 7,580	\$ 2,809		
	>40,000	\$ 7,955	9	\$ 8,733,230	\$ 6,676	\$ 5,127	\$ 356		
Downtown North DT-N	Total	\$ 112,165	143	\$ 198,235	\$ 7,334	\$ 5,994	\$ 1,222		
	0 - 10,000	\$ 45,462	109	\$ 98,648	\$ 7,443	\$ 6,124	\$ 1,352		
	10,000 - 20,000	\$ 36,210	22	\$ 420,617	\$ 7,397	\$ 5,970	\$ 1,198		
	20,000 - 30,000	\$ 22,775	6	\$ 929,676	\$ 7,190	\$ 5,804	\$ 1,032		
	30,000 - 40,000	\$ 7,718	5	\$ 425,587	\$ 3,442	\$ 1,893	\$ (2,879)		
	>40,000	\$ -	1	\$ -	\$ -	\$ -	\$ -		

ANALYSIS RESULTS (CITY OF BRYAN)

Zone	Lot Size (SF)	Revenue	Parcel Count	Average Imp		Current Budget:		Budget + St	
				Value	Rev / Acre	Net Rev / Acre	Costs Net / Acre		
Downtown South	Total	\$ 144,371	98	\$ 370,916	\$ 12,142	\$ 10,661	\$ 5,889		
DT-S	0 - 10,000	\$ 94,544	76	\$ 277,995	\$ 12,795	\$ 11,329	\$ 6,557		
	10,000 - 20,000	\$ 37,486	16	\$ 528,483	\$ 8,534	\$ 6,985	\$ 2,214		
	20,000 - 30,000	\$ 12,341	4	\$ 767,816	\$ 12,403	\$ 10,854	\$ 6,082		
	30,000 - 40,000	\$ -	0	\$ -	\$ -	\$ -	\$ -		
	>40,000	\$ -	2	\$ 1,615,284	\$ -	\$ -	\$ -		
Industrial	Total	\$ 302,400	193	\$ 449,613	\$ 539	\$ (712)	\$ (3,837)		
	0 - 10,000	\$ 87	5	\$ -	\$ 168	\$ (405)	\$ (5,177)		
	10,000 - 20,000	\$ 7,048	19	\$ 99,355	\$ 1,085	\$ (193)	\$ (3,427)		
	20,000 - 30,000	\$ 6,039	21	\$ 65,992	\$ 553	\$ (654)	\$ (4,464)		
	30,000 - 40,000	\$ 7,558	8	\$ 85,695	\$ 269	\$ (426)	\$ (2,910)		
I	>40,000	\$ 281,667	140	\$ 555,037	\$ 488	\$ (823)	\$ (3,812)		
	Total	\$ 39,176	17	\$ 874,265	\$ 413	\$ (390)	\$ (1,078)		
	0 - 10,000	\$ -	0	\$ -	\$ -	\$ -	\$ -		
	10,000 - 20,000	\$ -	0	\$ -	\$ -	\$ -	\$ -		
	20,000 - 30,000	\$ -	0	\$ -	\$ -	\$ -	\$ -		
Innovation Cor. High-Density Res.	30,000 - 40,000	\$ -	0	\$ -	\$ -	\$ -	\$ -		
	>40,000	\$ 39,176	17	\$ 874,265	\$ 413	\$ (390)	\$ (1,078)		
	IC-HDR								

ANALYSIS RESULTS (CITY OF BRYAN)

Zone	Lot Size (SF)	Revenue	Parcel Count	Average Imp Value	Rev / Acre	Current Budget: Net Rev / Acre	Budget + St Costs Net / Acre
Innovation Cor. Research & Development IC-RD	Total	\$ 115,795	35	\$ 5,927,113	\$ 832	\$ (92)	\$ (627)
	0 - 10,000	\$ -	0	\$ -	\$ -	\$ -	\$ -
	10,000 - 20,000	\$ -	1	\$ -	\$ -	\$ -	\$ -
	20,000 - 30,000	\$ 370	2	\$ 58,098	\$ 297	\$ (764)	\$ (1,154)
	30,000 - 40,000	\$ -	2	\$ -	\$ -	\$ -	\$ -
	>40,000	\$ 115,425	30	\$ 6,253,169	\$ 879	\$ (33)	\$ (582)
Innovation Cor. Retail Services IC-RS	Total	\$ 102,403	156	\$ 482,934	\$ 233	\$ (700)	\$ (1,334)
	0 - 10,000	\$ 53	2	\$ -	\$ 198	\$ (375)	\$ (923)
	10,000 - 20,000	\$ 3,478	35	\$ 10,872	\$ 266	\$ (502)	\$ (1,207)
	20,000 - 30,000	\$ 1,466	16	\$ 28,964	\$ 177	\$ (460)	\$ (1,124)
	30,000 - 40,000	\$ 4,064	7	\$ 64,340	\$ 542	\$ (588)	\$ (1,453)
	>40,000	\$ 93,343	96	\$ 890,879	\$ 206	\$ (833)	\$ (1,418)
Multifamily MF	Total	\$ 2,181,673	1,253	\$ 412,113	\$ 5,544	\$ 4,019	\$ 1,129
	0 - 10,000	\$ 578,262	895	\$ 130,486	\$ 6,544	\$ 5,005	\$ 1,977
	10,000 - 20,000	\$ 214,610	264	\$ 164,863	\$ 2,916	\$ 1,381	\$ (1,023)
	20,000 - 30,000	\$ 17,919	19	\$ 214,353	\$ 1,790	\$ 395	\$ (2,124)
	30,000 - 40,000	\$ 8,221	5	\$ 515,671	\$ 2,273	\$ 1,115	\$ (1,440)
	>40,000	\$ 1,362,661	70	\$ 5,779,235	\$ 3,673	\$ 2,322	\$ (802)

ANALYSIS RESULTS (CITY OF BRYAN)

Zone	Lot Size (SF)	Revenue	Parcel Count	Average Imp		Current Budget:		Budget + St	
				Value	Rev / Acre	Net Rev / Acre	Costs Net / Acre		
Midtown - Corridor MT-C	Total	\$ 521,867	619	\$ 176,954	\$ 2,925	\$ 1,508	\$ (2,019)		
	0 - 10,000	\$ 160,459	284	\$ 98,689	\$ 3,888	\$ 2,477	\$ (1,048)		
	10,000 - 20,000	\$ 116,652	182	\$ 104,373	\$ 2,206	\$ 783	\$ (2,616)		
	20,000 - 30,000	\$ 51,172	61	\$ 158,697	\$ 1,681	\$ 287	\$ (3,335)		
	30,000 - 40,000	\$ 45,707	33	\$ 345,850	\$ 2,195	\$ 802	\$ (2,897)		
	>40,000	\$ 147,878	59	\$ 699,061	\$ 1,867	\$ 401	\$ (3,420)		
Midtown - High Density MT-HD	Total	\$ 408,352	207	\$ 378,487	\$ 6,261	\$ 4,740	\$ 2,948		
	0 - 10,000	\$ 126,260	111	\$ 156,090	\$ 7,594	\$ 6,083	\$ 4,291		
	10,000 - 20,000	\$ 68,103	82	\$ 100,633	\$ 4,224	\$ 2,675	\$ 883		
	20,000 - 30,000	\$ 15,226	7	\$ 421,880	\$ 4,329	\$ 2,943	\$ 1,150		
	30,000 - 40,000	\$ -	0	\$ -	\$ -	\$ -	\$ -		
	>40,000	\$ 198,763	7	\$ 6,011,172	\$ 6,443	\$ 4,894	\$ 3,102		
Mixed Use MU-2	Total	\$ 188,376	490	\$ 107,592	\$ 1,990	\$ 683	\$ (4,089)		
	0 - 10,000	\$ 105,545	349	\$ 71,977	\$ 2,153	\$ 871	\$ (3,901)		
	10,000 - 20,000	\$ 41,458	96	\$ 89,246	\$ 1,521	\$ 101	\$ (4,671)		
	20,000 - 30,000	\$ 15,622	21	\$ 216,738	\$ 1,708	\$ 447	\$ (4,325)		
	30,000 - 40,000	\$ 8,059	9	\$ 262,390	\$ 1,268	\$ 85	\$ (4,687)		
	>40,000	\$ 17,693	15	\$ 827,438	\$ 1,763	\$ 431	\$ (4,341)		

ANALYSIS RESULTS (CITY OF BRYAN)

Zone	Lot Size (SF)	Revenue	Parcel Count	Average Imp		Current Budget:		Budget + St	
				Value	Rev / Acre	Net Rev / Acre	Costs Net / Acre		
Planned Development	Total	\$ 8,029,412	4,497	\$ 459,325	\$ 5,718	\$ 4,307	\$ 1,820		
PD	0 - 10,000	\$ 2,577,234	2,602	\$ 228,530	\$ 6,706	\$ 5,243	\$ 2,923		
	10,000 - 20,000	\$ 1,698,163	1,078	\$ 393,135	\$ 5,348	\$ 3,927	\$ 1,017		
	20,000 - 30,000	\$ 516,539	227	\$ 643,990	\$ 4,279	\$ 2,983	\$ (147)		
	30,000 - 40,000	\$ 210,102	75	\$ 806,880	\$ 3,694	\$ 2,426	\$ (650)		
	>40,000	\$ 3,027,375	515	\$ 2,366,242	\$ 1,901	\$ 728	\$ (1,298)		
Residential District - 5000	Total	\$ 7,801,857	13,794	\$ 144,736	\$ 2,843	\$ 1,459	\$ (2,019)		
RD-5	0 - 10,000	\$ 4,495,804	8,721	\$ 123,255	\$ 3,334	\$ 1,962	\$ (1,655)		
	10,000 - 20,000	\$ 2,490,056	3,876	\$ 135,204	\$ 2,272	\$ 829	\$ (2,428)		
	20,000 - 30,000	\$ 330,253	545	\$ 139,031	\$ 1,182	\$ (143)	\$ (3,374)		
	30,000 - 40,000	\$ 150,229	194	\$ 154,004	\$ 896	\$ (390)	\$ (3,529)		
	>40,000	\$ 335,515	458	\$ 743,867	\$ 499	\$ (727)	\$ (3,683)		
Residential District - 7000	Total	\$ 916,699	923	\$ 311,349	\$ 4,047	\$ 2,563	\$ (453)		
RD-7	0 - 10,000	\$ 286,970	334	\$ 186,731	\$ 6,699	\$ 5,198	\$ 2,302		
	10,000 - 20,000	\$ 323,785	346	\$ 217,599	\$ 3,144	\$ 1,650	\$ (1,724)		
	20,000 - 30,000	\$ 74,859	77	\$ 248,254	\$ 1,903	\$ 437	\$ (2,993)		
	30,000 - 40,000	\$ 23,537	18	\$ 280,558	\$ 1,821	\$ 330	\$ (3,318)		
	>40,000	\$ 207,547	148	\$ 924,354	\$ 1,013	\$ (402)	\$ (2,437)		

ANALYSIS RESULTS (CITY OF BRYAN)

Zone	Lot Size (SF)	Revenue	Parcel Count	Average Imp Value	Rev / Acre	Current Budget: Net Rev / Acre	Budget + St Costs Net / Acre
Residential N.C.D.	Total	\$ 3,013,970	2,887	\$ 220,822	\$ 3,728	\$ 2,200	\$ (1,103)
R-NC	0 - 10,000	\$ 677,732	744	\$ 196,949	\$ 4,966	\$ 3,432	\$ (44)
	10,000 - 20,000	\$ 1,767,568	1,750	\$ 210,869	\$ 3,572	\$ 2,040	\$ (1,289)
	20,000 - 30,000	\$ 247,622	198	\$ 257,714	\$ 2,425	\$ 897	\$ (2,348)
	30,000 - 40,000	\$ 104,543	68	\$ 310,865	\$ 1,967	\$ 506	\$ (2,258)
	>40,000	\$ 216,506	127	\$ 411,883	\$ 1,372	\$ (92)	\$ (2,324)

ANALYSIS RESULTS (CITY OF BRYAN)

Top Ten Most Productive Properties

The majority of the top producing properties are small lot residential (townhomes) or vertical mixed-use buildings in downtown. Investing in more similar development can generate additional tax revenue without having to raise the tax rate. Additionally, there are often opportunities to do this on infill properties where infrastructure and services are already in place.

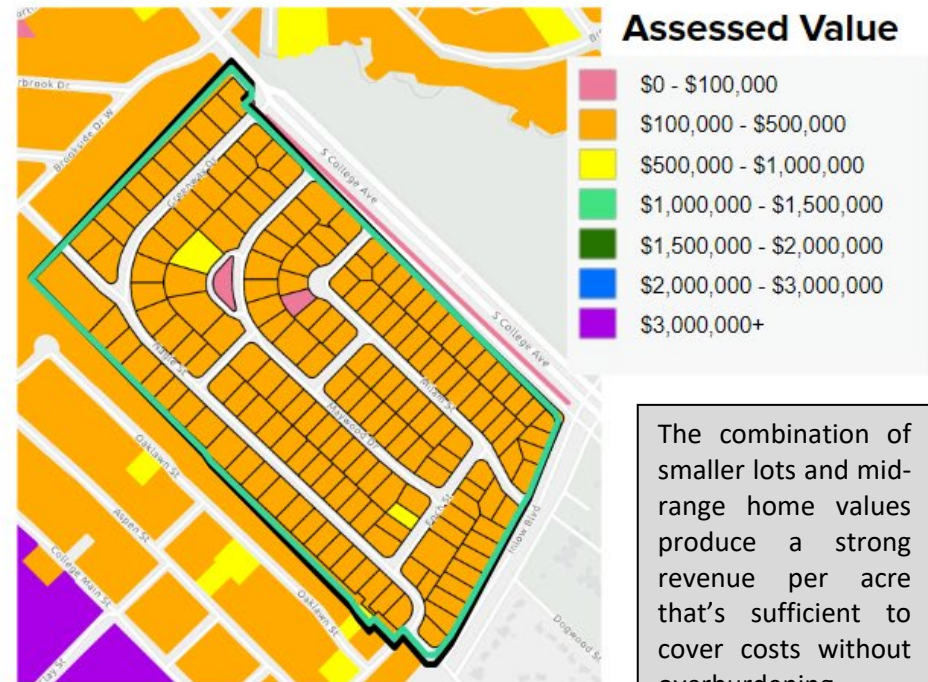
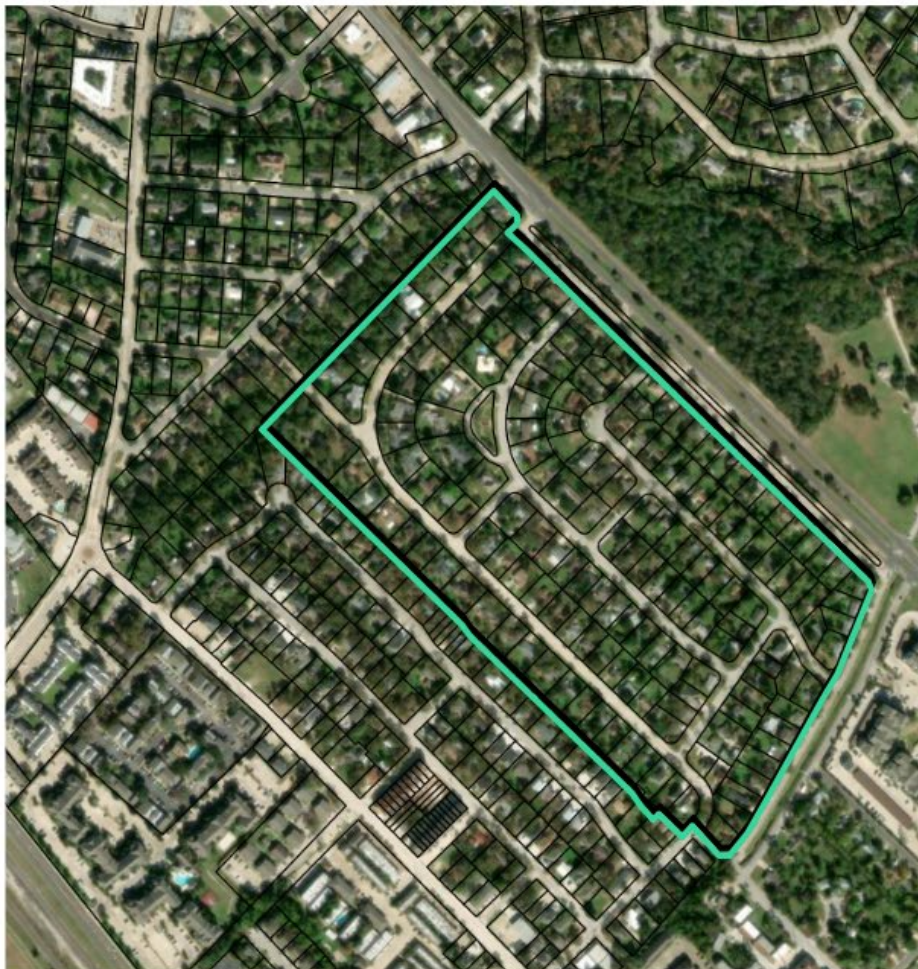


#	Address	Net Rev/Acre (B+S)	Description
1	120 S Main St	\$ 60,783	The LaSalle Hotel
2	219 N Main St	\$ 57,631	Mixed Use
3	100 N Main St	\$ 50,854	Mixed Use
4	4513 Carter Creek Pkwy	\$ 47,281	Town Home
5	4513 Carter Creek Pkwy	\$ 45,683	Town Home
6	4513 Carter Creek Pkwy	\$ 45,589	Town Home
7	4513 Carter Creek Pkwy	\$ 42,400	Town Home
8	3201 University Dr E	\$ 41,194	Medical Mixed Use
9	102 E 26th St	\$ 39,341	Mixed Use
10	110 N Main St	\$ 37,621	Mixed Use



Neighborhood Context Examples

Bryan has a wide variety of neighborhoods with different combinations of lot sizes, street configurations, and values. Several examples are highlighted below and on following pages to help provide more context on how different patterns impact property tax revenue per acre.



The combination of smaller lots and mid-range home values produce a strong revenue per acre that's sufficient to cover costs without overburdening homeowners.

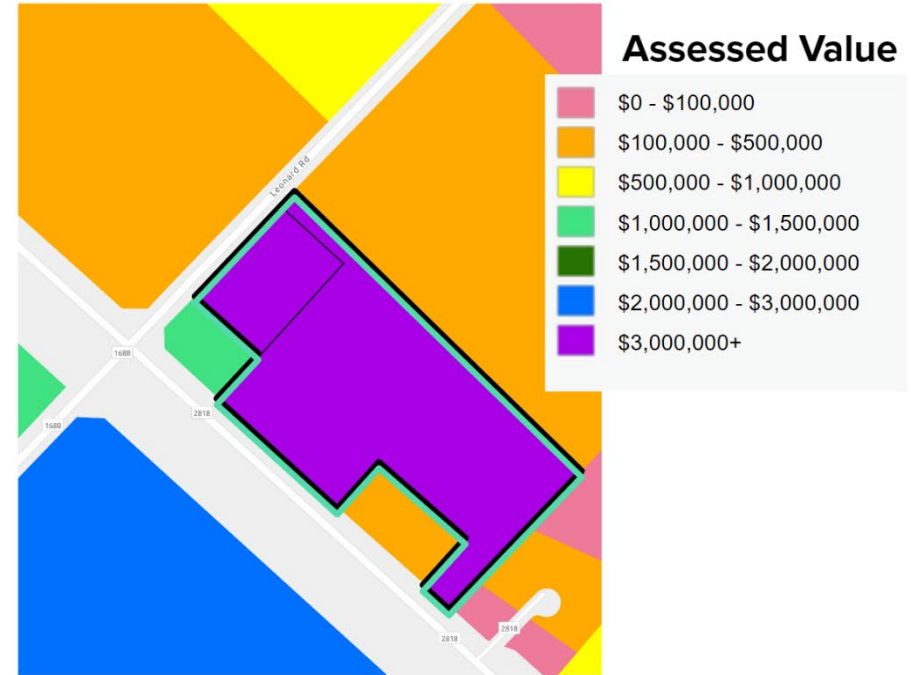
Oak Terrace Addition

Average Lot Size: 11,761 sf

Zone: RD-5

Avg. Assessed Value: \$ 225,266

Avg. Prop. Tax Revenue/Acre: \$ 3,031



Forest Grove and Forest Pines Apartments

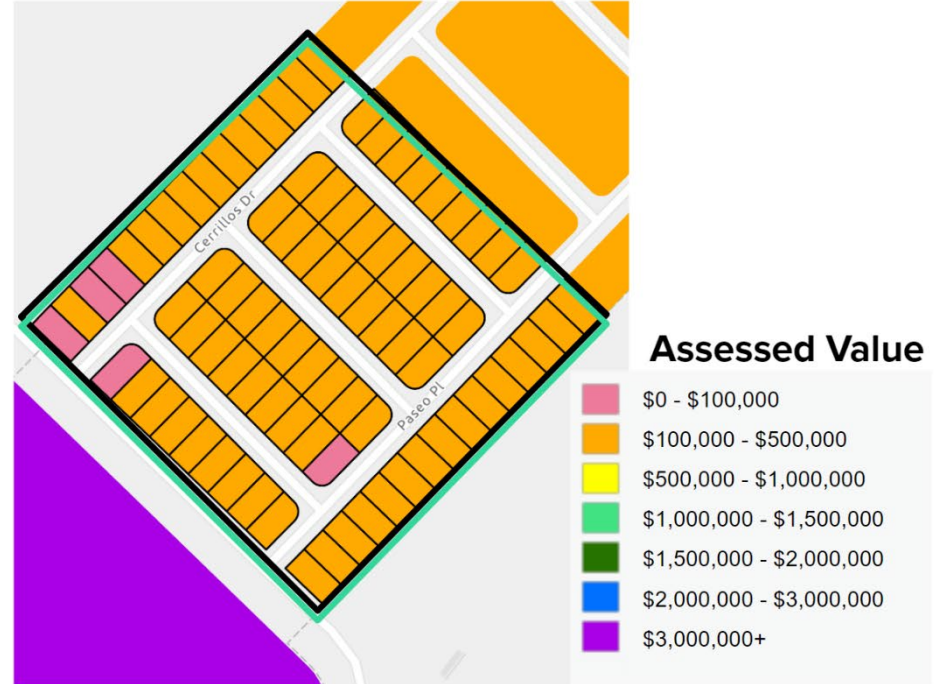
Average Lot Size: 404,672 sf (9.29 acres)

Zone: MF

Avg. Assessed Value: \$ 12,320,423

Avg. Prop. Tax Revenue/Acre: \$ 6,782

The high density (and associated assessed value) of this complex is the primary factor in the high revenue per acre of this site.



Alamosa Springs - Phase 1

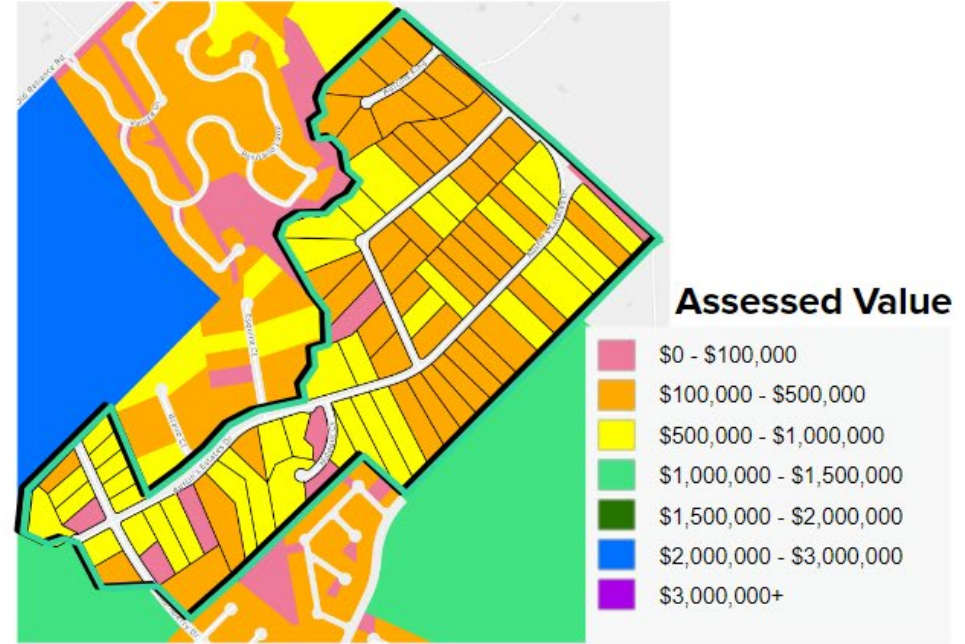
Average Lot Size: 5227 sf (0.12 acres)

Zone: RD-5

Avg. Assessed Value: \$ 223,421

Avg. Prop. Tax Revenue/Acre: \$ 7,799

The small lots and compact layout of this subdivision combined with mid-range values contribute to the very high revenue per acre value.



Austin's Estates Phases 1-3 & 5-6

Average Lot Size: 78,844 sf (1.81 acres)

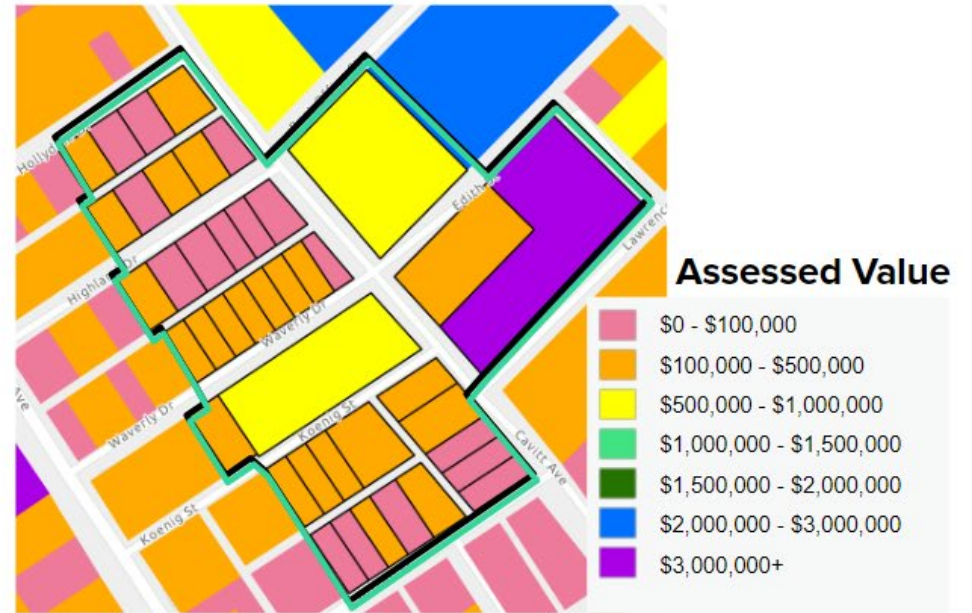
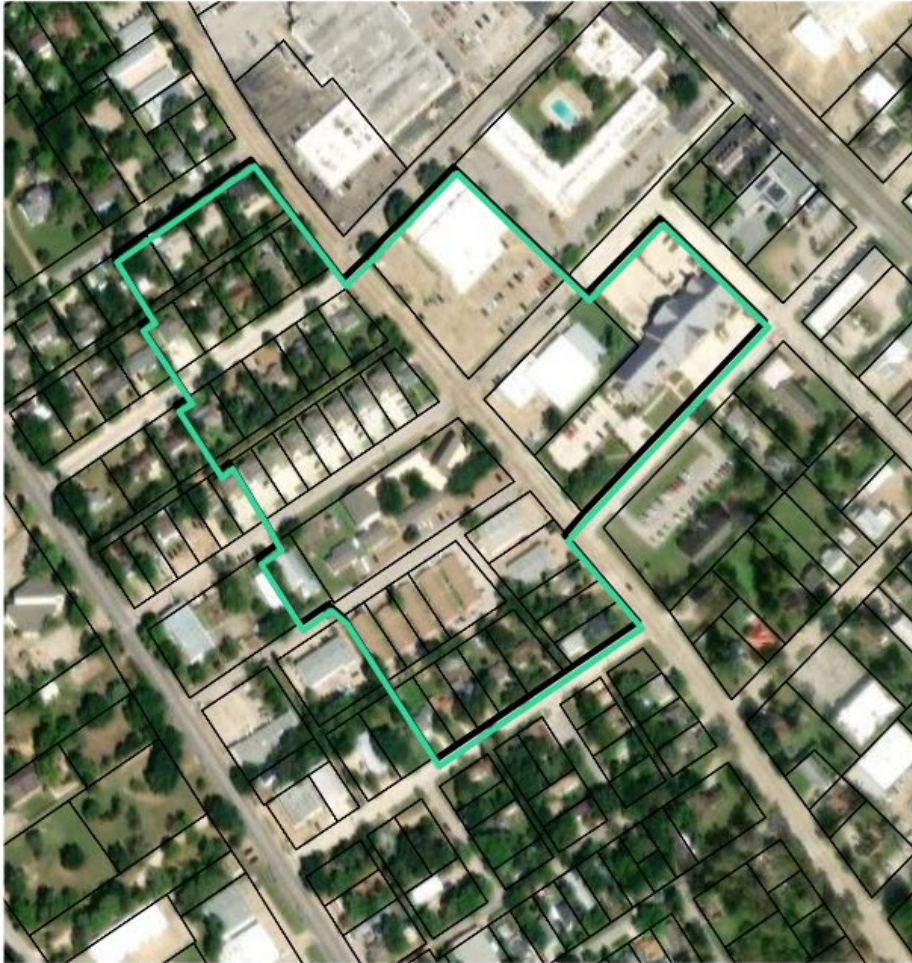
Zone: RD-7

Avg. Assessed Value: \$ 447,994

Avg. Prop. Tax Revenue/Acre: \$ 1,088

This rural estate style development has larger lots and higher values, but the values are not high enough to produce an average revenue per acre high enough to cover service and infrastructure costs.

ANALYSIS RESULTS (CITY OF BRYAN)



Mixed Use

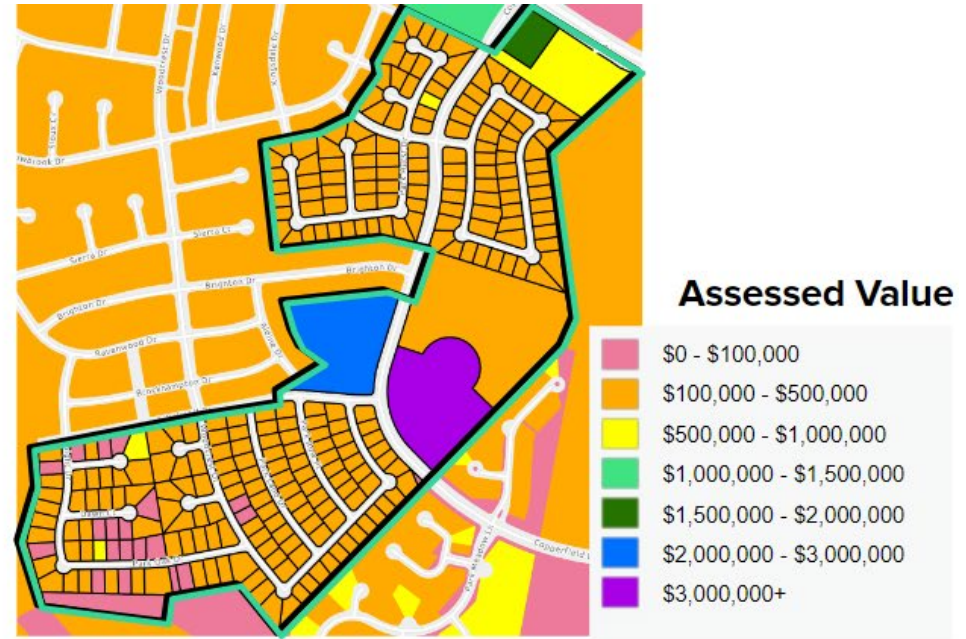
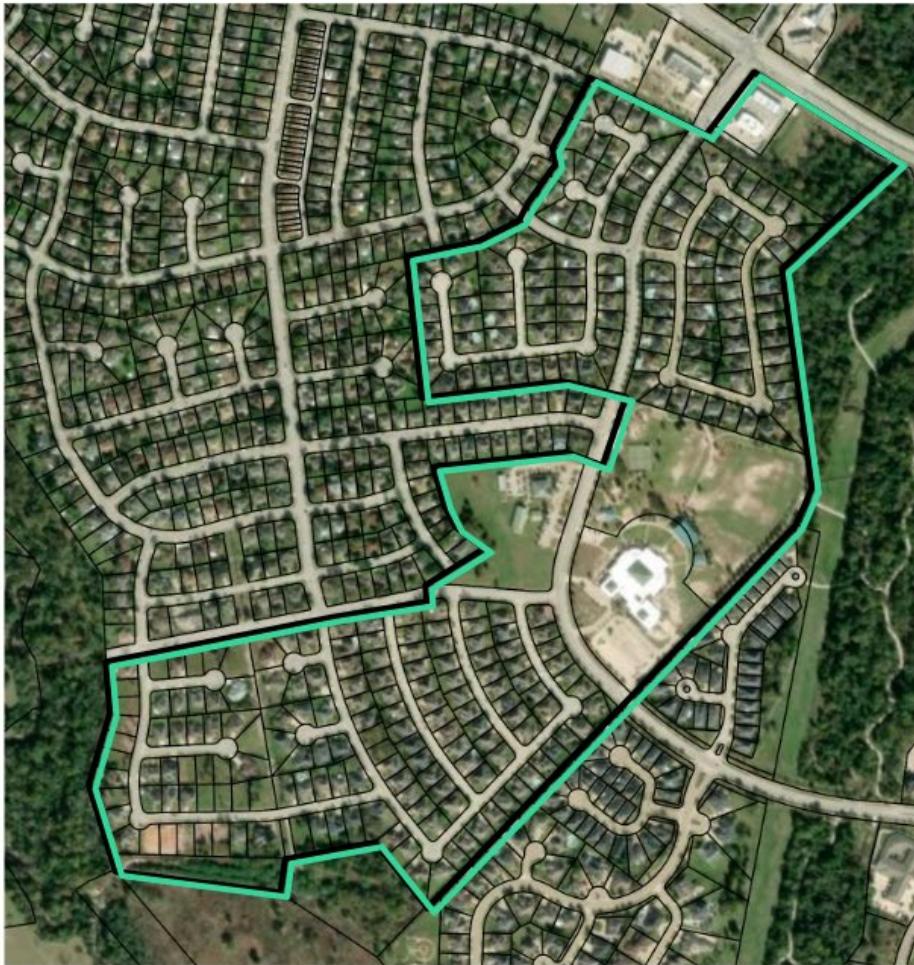
Average Lot Size: 14,375 sf (0.33 acres)

Zone: MU-2

Avg. Assessed Value: \$ 321,198

Avg. Prop. Tax Revenue/Acre: \$ 3,200

This development has a mix of lot sizes and uses. The above average values offset the impact of larger average lot size to keep the revenue per acre at a level that can cover current and future costs.



Tiffany Park

Average Lot Size: 16,988 sf (0.39 acres)

Zone: R-NC

Avg. Assessed Value: \$ 346,118

Avg. Prop. Tax Revenue/Acre: \$ 4,637

Higher values and the small lots in this development combined with some high value support uses all contribute to the higher revenue per acre for this neighborhood.

The Costs of New Development

Projecting the costs to serve development in the future is not as simple as having an average cost per household. As explained throughout this report, there are different elements of cost that are driven by different things (dwelling unit, lot size, location) and therefore allocated by different methods. Data from this analysis has been organized into by land use, improvement type and zoning and is reflected in the tables on this and the following page.

This information can be studied further by staff and referenced as new developments come in to evaluate potential future service costs. To help streamline this process, a Development Fiscal Impact Analysis (DFIA) tool could be developed that incorporates this data and automatically pulls the appropriate data based on the specific details entered for the proposed development.

Land Use	Improvement Type	Average Revenue	Parcel Count	Average Public Service Cost	Average Budgeted Infrastructure	Average Future Street Cost
Single Family Residential	Single Family	\$ 904	18,579	\$ 442	\$ 31	\$ 910
	Manufactured Home	\$ 256	168	\$ 669	\$ 48	\$ 1,000
	Condominiums	\$ 1,513	39	\$ 691	\$ 49	\$ 963
	Townhomes	\$ 8,072	1	\$ 1,460	\$ 104	\$ 1,810
Multifamily Residential	Apartment Complex	\$ 22,070	147	\$ 5,417	\$ 385	\$ 11,114
	Duplex	\$ 755	773	\$ 330	\$ 23	\$ 660
	Triplex	\$ 1,056	23	\$ 395	\$ 28	\$ 762
	Quadplex	\$ 1,000	347	\$ 351	\$ 25	\$ 705
Commercial	Commercial Non-Office	\$ 3,216	1,730	\$ 3,298	\$ 234	\$ 6,165
	Office	\$ 330	1	\$ 1,596	\$ 113	\$ 1,978

Cost Analysis by Land Use and Improvement Type

ANALYSIS RESULTS (CITY OF BRYAN)

Cost Analysis by Zoning District

Zone	Zone Description	Average Public Service Cost	Average Budgeted Infrastructure	Average Future Street Cost
A-O	AGRICULTURAL OPEN	\$ 9,276	\$ 659	\$ 14,384
C-1	OFFICE	\$ 1,181	\$ 84	\$ 2,971
C-2	RETAIL	\$ 2,168	\$ 154	\$ 4,271
C-3	COMMERCIAL	\$ 1,759	\$ 125	\$ 3,293
DT-C	DOWNTOWN CIVIC	\$ 612	\$ 43	\$ 2,018
DT-N	DOWNTOWN NORTH	\$ 233	\$ 17	\$ 769
DT-S	DOWNTOWN SOUTH	\$ 219	\$ 16	\$ 722
I	INDUSTRIAL	\$ 6,505	\$ 462	\$ 12,996
IC-HDR	INNOVATION CORRIDOR - HIGH-DENSITY RESIDENTIAL	\$ 8,925	\$ 634	\$ 17,058
IC-RD	INNOVATION CORRIDOR - RESEARCH AND DEVELOPMENT	\$ 34,348	\$ 2,440	\$ 9,273
IC-RS	INNOVATION CORRIDOR - RETAIL SERVICES	\$ 15,347	\$ 1,090	\$ 18,857
MF	MULTI FAMILY	\$ 590	\$ 42	\$ 1,188
MT-C	MIDTOWN - CORRIDOR	\$ 688	\$ 49	\$ 1,607
MT-HD	MIDTOWN - HIGH DENSITY	\$ 562	\$ 40	\$ 697
MU-2	MIXED USE	\$ 335	\$ 24	\$ 1,106
PD	PLANNED DEVELOPMENT	\$ 930	\$ 66	\$ 1,472
RD-5	RESIDENTIAL DISTRICT-5000	\$ 403	\$ 29	\$ 906
RD-7	RESIDENTIAL DISTRICT-7000	\$ 764	\$ 54	\$ 1,334
R-NC	RESIDENTIAL N.C.D.	\$ 495	\$ 35	\$ 1,069

Key Findings from the Analysis

Evaluating the fiscal health and sustainability of a community is a fluid process, as development, services, and budgets in cities are always evolving. Every development or infrastructure project has the potential to either increase or close resource gaps. Cities can stay on top of their fiscal situation by conducting robust fiscal analyses of new projects to quantify impacts on revenues and costs, and pausing every few years to evaluate how development and current service models are performing and refine development policies.

Based on the results of this analysis, Bryan is in a much stronger position than many of the suburban style communities across Texas. This is due to the combination of the rate and pattern of the city's growth (and policies that have guided past development), general fund revenue mix, and a proactive plan to address aging street infrastructure. Takeaways in each of these categories are expanded below.

Development Pattern

- **Rate of Growth** - Unlike newer suburbs that have aggressively pursued growth and horizontal expansion over a relatively short (typically 2-3 decade) period, Bryan has had slow, steady growth over the years. This more gradual growth has helped spread out future infrastructure obligations and enables better alignment of revenues and costs across growth and maintenance. However, growth has accelerated over the past few years, which will create a spike in infrastructure costs 20-30 years from now.
- **Expansion of the City Service Area (City Limits)** – Since 1950, Bryan's population has increased roughly 5X. During this same period, the city's service area has increased over 7X. The city annexed land aggressively between 1970 and 1990, slowed down 1990-2010, and then annexed aggressively from 2010-2020. Looking broadly over the past 70 years, the city has been adding infrastructure and public services to serve a larger area while the overall density of the city has been dropping. This combination of extended service area and more costs with fewer people and households per acre means that the cost burden per household and per capita is increasing. 39% of the city's

area (17% of the city's parcels) is currently undeveloped. To reverse the trend of declining density and rising per household costs, the city should prioritize filling in undeveloped parcels and avoid further annexation.

- **Development Context** - The large amount of traditional style development in the core and a diverse mix of housing options, particularly high density multifamily and missing middle options on smaller lots (such as townhomes, duplexes, etc), have produced pockets of high value per acre development that help subsidize the less productive parts of the city.
- **City Codes and Development Standards** - The city's current codes and approach to development have allowed more infill and mixed-use development than communities that have adopted codes that separate uses and require larger lot minimums and wider roads. The MidTown standards are an excellent example of adjusting the development approach to encourage incremental infill over time. These standards should be maintained and potentially even improved to encourage infill and more compact development that produces the highest returns to the city and ensures the city has a diverse mix of housing that will be attractive and affordable. It is important to take a holistic approach to updating these standards to ensure elements such as parking and stormwater management are properly addressed.

General Fund Analysis

- **General Fund Growth** - The city's general fund has been growing steadily over the past five years (13% from FY19 to FY23). Over this same five year period, sales tax has grown 28%, while property tax has grown 15%.
- **Revenue Breakdown** – In the FY 22/23 budget, 39% of the city's general fund revenue comes from property taxes and 42% from sales tax. This equal split between property tax and sales tax puts the city in a more resilient position if revenue from sales tax or development fees drops off due to market conditions outside the city's control. As Bryan continues to build out, it will be important to maintain or even increase the revenue generated from property tax so the city has the

resources it needs to cover future service and infrastructure needs that tend to increase as a city matures and revenue from new development flattens out.

- Expenditures per Capita, Household, and Acre – Expenses for all three of these metrics have trended upward over the past five years. Bryan is expanding its service area and population that is increasing costs, but due to lower density development, the cost burden per household is also increasing. If this continues, revenues will have to be increased to cover these costs, likely through higher home values and/or tax rates that will impact the city’s affordability. On the other hand, if the city limits additional annexation and focuses population into areas with existing services and infrastructure (thereby increasing density), costs can be distributed over more dwellings, bringing the cost per household down over time.
- General Fund Infrastructure Expenses – Based on the high-level assessment completed with this study, approximately \$9M of the city’s \$102M general fund expenditures was dedicated to parks and street maintenance. Bond programs have provided additional funding for capital projects, but this amount will need to increase in the future as park and street maintenance needs increase.

Street Maintenance and Funding

When it comes to having funding allocated to make up for deferred street maintenance and future reconstruction costs, Bryan has a significant street funding gap that must be addressed. The city has a life cycle street liability of approximately \$686M, which averages out to \$27.5M per year over 25 years. The city is currently spending around \$3M/yr in the General Fund on streets – a gap of \$24.5M. Debt funded CIP projects also help close this gap, but additional funds are needed going forward. Thanks to the city’s gradual growth pattern in prior decades, pavement condition and projected replacement costs are spread out fairly equally over the next 2-3 decades and only about 20% of the city’s streets are in need of investment in the next decade. However, these are still significant costs that are not currently budgeted, and the accelerated growth in recent years is adding to these long-term liabilities. The city is aware of these liabilities and is working proactively to repair and rebuild aging streets through capital projects funded with bond

programs and street fees, but even more funding will be needed in the years ahead.

Planning for Future Needs

The city’s current budget is set up to cover current costs and doesn’t fully account for future infrastructure costs that will be coming in the next several decades as the streets and other infrastructure put in by developers in past years has to be replaced. If the city wants to cover these future street reconstruction liabilities with property tax at the current tax rate (recommended), it would need to double the average property tax revenue/acre citywide from \$815 to \$1600. If property tax continues to make up the same 39% of the overall general fund as it does currently, this would mean the general fund per acre citywide would need to be around \$4000.

If the city continues to add development on the periphery of the city that is lower density and requires additional thoroughfares, local streets, and public services, these values could increase to more than \$2000/acre for property tax and a general fund per acre of \$5000 or more.

These higher values can be achieved by raising the tax rate and/or increasing other fees, but these options would impact the community’s affordability and make housing less attainable for the growing share of the population in need of more affordable options. A more viable alternative is to prioritize infill that increases value capture in areas that already have infrastructure and services. Additional density can sometimes require additional investment in utility and urban stormwater infrastructure, but the extra fiscal production of this pattern is usually sufficient to cover these costs. Additionally, new greenfield development should be evaluated to ensure it helps the city close resource gaps as opposed to making them bigger.

Potential Areas for Concern

Aggressive expansion of the city limits over the past decade and recent trends toward larger lots, wider streets, and more autocentric development on the periphery of the city are cause for concern. This pattern of development adds costs that outpace revenue production and will likely drive housing prices and taxes up over time.

Priority Recommendations

While the city is doing fairly well, there are things that can be done to grow revenues, improve efficiency of city services, manage future liabilities and keep housing affordable. Top recommendations for the city to consider are:

- 1) Protect and enhance existing development standards that allow flexibility to build small units on small lots, narrower streets, and less parking, and continue to work across all departments in the city to find innovative ways to serve more compact development as opposed to adopting standards that incentivize larger lots and wider roads. This will ensure that smaller products that are critical to keeping housing affordable and preserving and enhancing existing neighborhoods can continue to be built in the city. Aligning codes with fiscally sustainable and affordable development is addressed in more detail later in this section.
- 2) Prioritize infill projects that add people and buildings in areas with existing infrastructure. This will increase tax revenue without significant impacts on services and infrastructure costs, and distribute cost burdens out across more home/business owners.
- 3) Perform a fiscal analysis on new development projects to understand how they will impact the city's service costs and long-term infrastructure liabilities. The majority of new development should generally have a positive net revenue per acre so the surplus revenue can be directed toward infrastructure maintenance and covering costs of the parts of the city that require subsidy. A Development Fiscal Impact Analysis (DFIA) model tool calibrated to Bryan's local context and budget can help expedite this process.
- 4) Keep aggressive preventative maintenance efforts in place, and consider increasing the street and drainage fees to bridge the funding gap. (Note: a similar gap existing for water and sewer infrastructure, so aggressive utility rate increases should also be considered). Where the existing context allows, design street projects (rebuilt and new streets) to reduce pavement width and support more walkable, mixed-use development. The recently released 11th edition of the Manual on Uniform Traffic Control Devices (MUTCD) gives engineers

more freedom to set speed limits and design roads and intersections to reduce costs and improve pedestrian safety.

General Recommendations

Understand the Long-Term Costs of Development and What Creates High Performing Development Patterns

Our work in Bryan and communities across Texas and other states has shown that high performing parcels and development tend to have the following characteristics:

- High ratio of building footprint to lot size
- Multi-story structures
- Narrow lot frontage
- Smaller lots (higher density)
- Narrower streets in a grid pattern (coupled with more aggressive enforcement of cars illegally parked)

Establishing a common awareness of these characteristics with city leaders and throughout the community is an important step to establishing a culture of fiscal responsibility and cultivating a community that will be financially strong and resilient.

Align Development Policy to Support Fiscal Health and Affordability

A city's primary tool for guiding growth and development comes in the form of policy. Specifically, a city's taxing and development policies will largely determine their ability to adjust their fiscal reality. Bryan's development regulations touch directly on all five bullet points above. The city's comprehensive plan, zoning ordinance, and subdivision ordinance all need to contribute toward encouraging these characteristics. This conversation is happening in Bryan right now. If Bryan wants to continue providing quality services with homes and tax structure the majority of people can afford, increasing minimum lot sizes and street widths will make this extremely difficult.

Adjusting codes to establish minimum structural footprint and maximum parking footprint is where to start. These changes help to increase the taxable value per acre, and therefore the property tax revenue the city collects.

Lot shape and size have a big impact on cost footprint. A five thousand square foot lot will have a larger and larger cost burden the wider it gets simply due to the increased amount of pavement dedicated to serving a single lot. Wider lots also spread development out further along the road network which increases service vehicle (solid waste, police, fire, EMS) response time, increasing the need for more service facilities and operators.

Larger lots and spread out development also thins out a city's market service area, which can reduce and hinder retail sales tax generation and create an economic environment more favorable for regional commercial rather than local. That can be risky when surrounded by other cities competing for retail sales tax revenue. As market service areas grow, so do the chances of a neighboring city developing commercial services which meet the needs of your own citizens, and consequently decreasing the likelihood of commercial development in your own city. It's not uncommon to see multiple grocery stores in one city absorb the grocery needs of multiple neighboring cities because the service areas of those stores encompass the neighboring cities. Like parking and footprint, most cities operate with lot width and size minimums. Incorporating lot size and width maximums could have a substantial positive impact fiscally.

A similar opportunity exists with structural height. While most cities regulate a maximum height, they do not consider the benefits of a minimum height. Requiring a multi-story structure (even for only a percentage of the structure) requires a denser development pattern. Consider the impact if half the commercial structures in the city had been built as multi-story structures. At minimum they'd decrease the overall commercial footprint by half or double the occupiable space. If a 50,000 square foot store must build two stories, then its footprint will either decrease to 25,000 square feet preserving the additional space for more development or provide an additional 50,000 square feet of usable space on the second story. The additional space could consist of more commercial, office, or even residential space. Such a scenario would also dramatically increase the concentration of the property by either providing the same value on a smaller footprint or doubling the value on the same footprint.

Lastly, keep in mind that these development characteristics correlate strongly with design characteristics that contribute to a higher quality of life such as:

- Walkability
- The ability to age in place
- Freedom for children to roam
- Less time stuck in vehicular traffic
- Housing options for different stages of life
- Local economic opportunity

Consider Long-Term Costs in Budgeting and Tax Policy

Recent legislation from the State of Texas has made adjusting the municipal tax rate very difficult. It's worth observing that property tax rates vary widely city to city and very few of those rates get set based on an analysis of long-term financial obligations. Most tax rates get set based on the previous year's budget and the roll back rate. This analysis provides a great opportunity for the City to engage its citizens in an informed discussion about their current tax rate, whether it's sufficient to cover the costs of services it's responsible for, and what types of changes citizens would most support if they're needed. If citizens can't afford or don't want to pay higher taxes and street fees to generate additional funds to help pay for street maintenance, then they might consider making changes to the development regulations to encourage more fiscally productive development patterns.

Coordinate Capital Improvement Plan (CIP) Projects and Infrastructure Design to Increase Revenues and Decrease Costs

Often, the standards that dictate infrastructure design and location of capital projects negatively contribute to a city's fiscal health. For example, neighborhood streets are often defaulted to a 31-foot pavement width or more, which are wider than necessary. Wider streets and lanes encourage high speeds, which while appropriate for major roadways, is not ideal for local neighborhoods. In Bryan, the current standard is 27 feet, which is a good compromise between cost, access, and safety. If reducing infrastructure costs and improving safety is a priority, staff could consider design standards that reduce neighborhood street widths further to have 11 or even 10-foot-wide

lanes and remove on-street parking all together. Corridors where moving cars quickly is the priority should continue to utilize 11-foot lanes.

Another example revolves around a city's capital improvement projects. These programs often prioritize extending service to new development on the edge that does not perform well fiscally. A capital improvement program designed to improve fiscal health would prioritize projects that address the most pressing condition needs while also supporting development or redevelopment that bumps value capture. Road design can impact the forms of development alongside it. For example, a complete street that takes into account active forms of transportation (such as bicyclists and pedestrians) can encourage a development pattern that is more mixed use in style, whereas a corridor designed primarily for cars will encourage auto centric development with bigger parking lots (and less value per acre). When selecting and designing a project, consideration should always include improving the existing infrastructure not simply by replacing it but reconfiguring it to better fit the goal of fiscal sustainability and maximize its usage. Existing wider streets can be retrofitted through CIP projects, for example narrowing the travel lanes to provide room for sidewalks or bike lanes without acquiring additional right of way. In addition, estimation of the life-cycle costs and benefits of each project should be part of the prioritization process – not just the initial construction costs.

Engage Residents to Identify Low-Cost Improvements That Would Improve Their Daily Quality of Life

One of the greatest resources a city has is active and engaged residents. One way that citizens can help to improve the community is to identify infrastructure shortcomings and potential in neighborhoods where they grew up, started their family, live, or work. Engaging with the people who use neighborhoods each and every day provides a better understanding of what is truly needed or wanted. This engagement should be an ongoing dialogue, not an infrequent one. Transformative engagement and relationship building must be reached by meeting people where they are, listening to their perspectives, and demonstrating a commitment with small incremental modifications they can see and appreciate in a short period of time. It also includes sharing this analysis and explanation of fiscal sustainability principles

with them and helping them to both see the problem and be a part of the solution. The typical hearings and public meetings are largely ineffective, and providing a variety of methods to collect insights from residents is critical.

Cultivate Small/Incremental Development with Local Developers and Entrepreneurs

Developing in downtown and existing neighborhoods requires different guidelines than other areas, most notably allowing smaller lots and relaxed parking and stormwater requirements for individual sites (which can be managed through an area plan approach). Larger developers and builders that are used to building bigger projects with multiple lots are not typically interested in infill development. Building infill and smaller projects has lower profit margins and requires more work, since codes are often not set up to support them, so partnerships with the city, EDC, and other community organizations are critical. The city might consider hosting a workshop to bring together property owners, entrepreneurs, community banks and investors, and others in the community who are passionate about creating a vibrant downtown and neighborhoods to learn more, explore opportunities, connect resources and develop an action plan.

