URBAN3

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June 10, 2020

Joe Smolinski
Deputy City Manager
City of Mansfield
1200 E. Broad St.
Mansfield, TX 76063

Re: Economic Analysis for Mansfield, TX

Joe:

Thank you for the opportunity to submit our proposal to conduct an Economic Analysis for the City of Mansfield. We look forward to potentially working with your team to provide insights and useful metrics of the fiscal health of your community.

We look forward to hearing thoughts on our proposal, and welcome any questions you and your team may have about our process and deliverables.

Respectfully,

Cate Ryba

Cate Ryba
Project Director/Planner

WHO IS URBAN3?

Urban3 is a consulting firm specializing in land value economics, property tax analysis and community design. Our approach bridges the gap between economic analysis, public policy and urban design. Our work will empower your community with the ability to promote development patterns that both secure it's fiscal condition and create a strong sense of place.

We provide communities with an in-depth understanding of their financial health and built environment by measuring data and visualizing the results.
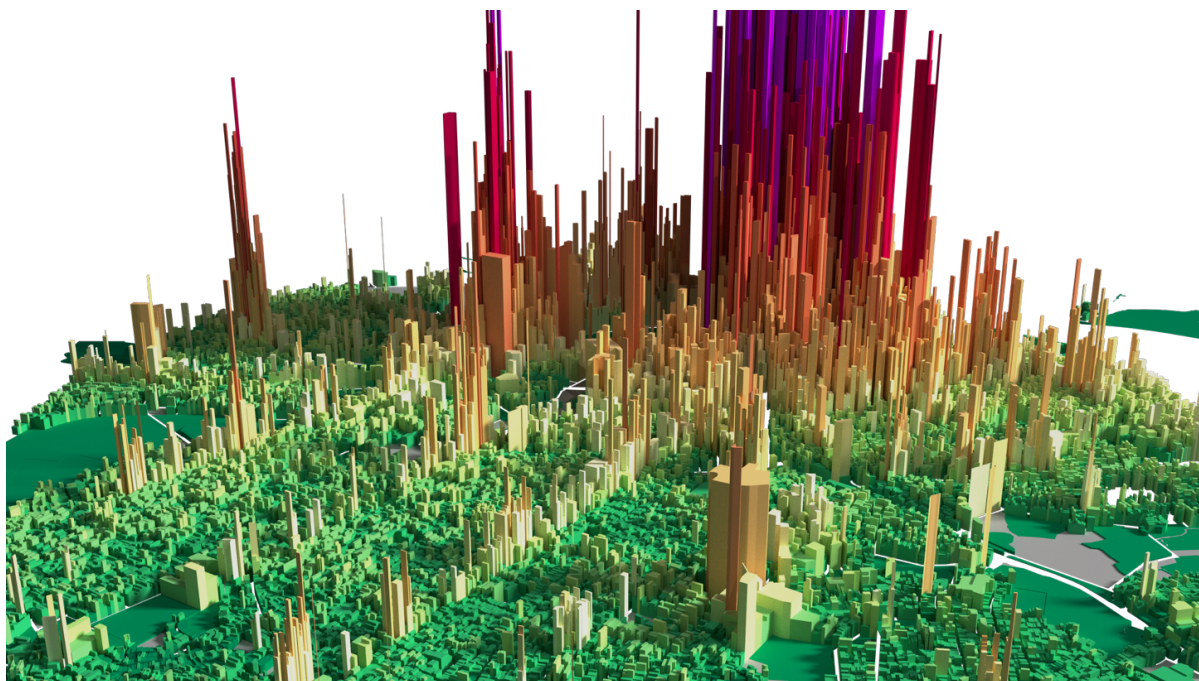
Taxable Value Per Acre
Auckland, NZ

WHY DOES UNDERSTANDING COMMUNITY FISCAL HEALTH MATTER?

Mapping and analyzing the financial health of a community helps policymakers and practitioners prioritize capital improvements and community design decisions.

In wake of the COVID-19 pandemic, it has never been more important for communities to understand the impact of land use on tax revenues and costs.

Our method simplifies complex information to include everyone in real conversations about community growth. Through our visualizations, communities have the resources to make informed decisions about future development.

Urban3 analyzes the fiscal implications of differential patterns of development down to the level of individual parcels but at the scale of entire communities. This typically entails

processing tax assessment data at the county or metropolitan area level and often includes multiple sources of information such as retail sales, income and other economic metrics.

Beyond processing the data itself, Urban3 provides a uniquely comprehensive examination of fiscal health that combines local development history, the implications of policy, and our experience with different finance systems around the world. We also provide analysis and insights on the long term fiscal impact of infrastructure investments.

We have worked with over 160 communities in the United States, New Zealand, Canada and Australia to conduct economic analyses of community fiscal health. Urban3 did not invent the value per acre analysis, but we have helped make it an industry standard for measuring the fiscal health of communities. The value per acre analysis is an invaluable metric in demonstrating the potency of varying land uses within the context of cities and counties. In a sea of data, we believe that a simple method, image, or metric can summarize volumes with clarity.

THE PEOPLE OF URBAN3

Joseph Minicozzi, AICP, Principal

Mr. Minicozzi will lead the team for this project, and present the final results in a public setting, if desired. Under Joe's leadership Urban3's work in pioneering geo-spatial representations of economic productivity has prompted a paradigm shift in understanding the economic potency of urbanism and the value of well-designed cities. Through Joe's direction, our analysts create visualizations to provide communities with the resources to make informed decisions about future development and its financial impacts. Joe is a sought-after lecturer on city planning issues and his work has been featured in numerous journals and at international conferences. In 2018 Joe was on Planetizen's list *The Most Influential Urbanists*.

Josh McCarty, Lead Geospatial Analyst

Mr. McCarty will lead the technical side of the project, including data validation and economic analysis. He will work directly with our other analyst, Will Creasy, on the data analysis and visualization. Josh's work focuses on new ways to visualize local finance. At the core of his work is an ongoing effort to quantify, measure, and communicate patterns of urban development and the outcomes of design choices. His work focuses on the intersection of public policy, urban design, and economics. Josh handles background work that turns raw data into relevant and recognizable patterns and is responsible for developing new analytical tools for our clients.

Phillip Walters, Senior Analyst and Project Manager

Phillip Walters, AICP is a senior analyst at Urban3. He brings together the perspectives of economics, data analysis, and good planning to find usable insight. With 8 years of public sector experience and strong analysis skills, he endeavors to help the public understand the underpinnings of how the world around them works and how land use decisions will change their future. Phillip will manage the day-to-day project flow, including scheduling all client calls, meetings and milestones with the analysts.

Will Creasy, Geospatial Analyst

Mr. Creasy will support Mr. McCarty in the process of verifying data and analysis. Mr. Creasy is also a graphic visualization expert, and will manage the storyboarding process. Drawing from a diverse education with research experience in GIS site suitability analysis and urban policy, Will uses GIS and cutting-edge three-dimensional modeling programs to illustrate land use patterns and economic trends on both the local and regional scale.

Andrew Clum, Geospatial Analyst

Andrew Clum is an analyst and designer at Urban3. He helps bridge the gap between the quantitative aspects of geographic information systems and the qualitative human factor of cities. He is also a trained architect and urban designer. Andrew will support Will with processing data and analysis throughout the project.

Cate Ryba, COO , Planner

Cate Ryba is a public policy expert, planner, and urban designer. Cate excels at building relationships, public/private partnership strategy, community facilitation, and project management. She has worked in a variety of roles developing dynamic programs and projects for communities and nonprofit organizations to celebrate people and place. She is also a former city councilor, as well as a former city economic development staffer. Cate will work with Phillip on project management tasks.

MANSFIELD'S FISCAL HEALTH ANALYSIS

WHAT IS THE FLOW OF THE PROJECT?

Phase 1

- Notice to proceed
- Receive GIS data and shapefiles
- Process data
- Site visit

Phase 2

- Create maps and graphics
- Visual audit with Joe Minicozzi
- Analysis, new ideas, and advice

Phase 3

- Storyboarding
- Finalize maps and graphics
- Finalize presentation

Phase 4

- Present the story
- Draft report and client edits
- Finalize report

START AT THE BEGINNING: WE USE YOUR EXISTING DATA

Prior to commencing our economic analysis for the City, the Urban3 team will work with your staff to gather all necessary property assessment and parcel data from various City departments, as well as from the Tarrant, Ellis and Johnson County Assessors. In addition, Urban3 will work with the appropriate departments to receive any other data applying to geospatially related revenue streams. This process may include organizing, cleaning and translating the data across many formats, to ensure we can analyze these various revenue streams on an apples-to-apples basis.

Urban3's analytic method focuses on normalizing tax values on a per-acre basis. Our core process is broken into two phases. First, parcel data with ownership, tax values, exemptions, and building information is cataloged and processed. Many times, there are anomalies in Tax Assessor's files that misrepresent acreage amounts or allocate tax values across multiple semi-related parcels. Our team will dedicate time to correcting and synthesizing different tax parcel data for the City as needed.

CREATING YOUR 3D MODEL

After the parcel and all tax data are processed and all errors are corrected, Urban3 will move on to visualizing the information. While we use a variety of visual techniques, the primary method for displaying value per acre and revenue metrics is with ESRI's ArcScene. ArcScene's ability to create three-dimensional representations of land value, tax value and value per acre trends in vertical "spikes" displays a huge amount of information in just a quick glance. Market variability and inequitable tax valuations, and of course, value per acre efficiency across the City will be easily displayed in 3D using ArcScene. Also, tax millage

rates from the county will be applied to parcel data to show the amount of taxes each development or area actually pays, versus its assessed tax value.

WHAT WILL NEW DEVELOPMENT BRING IN LONG TERM TAX REVENUES?

Additionally, we will work with City staff to identify areas for conducting scenario projections of potential future property and sales tax revenues based on varying approaches to build out and density. We will visualize the potential values based on a 20 year development or redevelopment horizon, and calculate the associated tax future revenues. We can also project the revenue trends of the existing TIRZ areas in Mansfield.

WHICH AREAS WILL BRING THE MOST REVENUE FOR THE LEAST SERVICES?

Visualizing tax production is an effective way to illustrate the big picture, but what does the concept of tax efficiency look like on a property by property basis? As part of our work we will conduct a land ownership analysis to determine the extent and effect of land speculation happening within the study area, if any. Property owners can develop their property as they see fit, but those decisions should be connected to adjacent infrastructure investments.

This approach will emphasize the localized connection of the obligated public expenses to maintain infrastructure with revenue production within the existing market. When this analysis is not weighed, it is in effect an indirect subsidy creating enormous long-term financial obligations for taxpayers, either increasing local taxes or increasing the incidence of default on maintenance obligations.

Our work will show which areas of the City are the most underperforming from a valuation perspective, but simultaneously has the most tax revenue potential for redevelopment. This will help the City determine where to invest in infrastructure in the near future to get "the best bang for the buck" for future redevelopment. We will use a sample of both common and unique types of development in the region at a variety of scales to demonstrate the tax potency of different types of buildings in the region.

BUILDING YOUR COMMUNITY'S ECONOMIC STORY

Following the data processing and analysis, our analysts work with Mr. Minicozzi to storyboard all the findings. Over a period of days, our staff conducts a deep dive into all the data outputs. From this, we will create a holistic economic story for the City that will illustrate the impacts of various development types on the City's long term municipal finances.

DELIVERABLES:
- Visualization of the relative economic potency of land uses in the City using both 2D and 3D graphics, including both property and sales tax revenue streams
- The delivery of those models, including a full map package, to all relevant City departments
- An isolated analysis of various land use patterns within your community

- Projections for varying urban design scenarios and/or potential development projects and the associated tax revenues based on a 20-year redevelopment horizon to identify and inform future land use priorities (data provided by client)
- Comparison of a hypothetical residential multi family project, or commercial-only, traditional suburban buildout at varying densities, chosen by the City
- Analysis of statewide and local tax systems and creation of graphics to share this information in an easy to understand format with citizens
- Population growth analysis with peer municipalities in the county/region
- An analysis of the taxable vs. nontaxable land in the City
- Comparison of the economic potency of the downtown within the City and within the County as a ratio
- Comparative analysis of economic potency of different housing typologies, both single family and mixed use
- Comparative analysis of commercial properties by type and their economic potency
- Comparing economic productivity of varying property types county-wide
- Analysis of jobs and commuting patterns for the municipality
- Analysis of the changes in property values over time, using historical data (pending data availability)
- Land use analysis based on planometric data; amount of roads, parking, buildings and other land (pending data availability)
- Visualization and analysis of the length and average cost of roads, pipes and parking (pending data availability)
- Analysis of peer communities in the county by value per acre, total value, population, peak value, peak value to citywide value per acre
- Land Value to Building Value ratio analysis
- Cul-de-sac Analysis - understand the amount and cost of all cul-de-sacs in your community's road network
- Public Education Sessions, including presentations of the models and powerpoint to your community, audiences determined by City staff (two days, up to six presentations)
- An online report or printed report, which will contain all graphics created as part of your analysis and an executive level narrative to complement the graphics. This will be completed after final presentations, to ensure staff and citizen feedback can be incorporated into the narrative

OUTCOMES:
HOW TO PLAN FOR YOUR COMMUNITY'S FUTURE FINANCIAL HEALTH

The results of our analysis for Mansfield will clearly demonstrate the economic potency of the downtown within the City, and the City within the region. Because of the scale of the analysis, you will be able to see the economic effects of varying types of development within the same market. Your community can utilize the findings from the study to inform potential adjustments to public policy to maximize both the downtown area and the City's fiscal productivity.

Through our analysis, the City will glean information about the development patterns in the community, leading to stronger decision-making based on the public's return on investment. It is sometimes assumed that budget problems can be solved by creating more growth, yet more growth in unproductive patterns–more cost than revenues–will only increase economic problems. What is needed is an approach that provides transparency regarding the cost of growth and long-term obligations to create a healthy, sustainable fiscal future for your community and the entire region.

HOW LONG WILL THIS TAKE?

To perform the revenue analysis, our project analyst will make an initial site visit. During this site visit, the analyst will procure data, connect with key members of the City team to field data questions, as well as make site visits to key properties in the study.

The first phase of the project is the process of gathering and cleaning all data, which takes approximately one month. Upon that process completion, it will take approximately three months to conduct the remainder of the analysis.

HOW WILL YOU SHARE THE ANALYSIS WITH OUR COMMUNITY?

The goal of our work is threefold. First, the analysis will assist the City staff with policy recommendations to council and planning commission or land use-related commissions. Second, Urban3 will work with elected and appointed officials to educate them in cumulative economic thinking, allowing them to understand the true costs of development in a visual way as they make policy decisions. Lastly, we will present our final models to the broader community to inform their understanding of the true costs of development and maintenance, and the relationship to taxation.

At the conclusion of the project, Joe Minicozzi will deliver the results of the analysis on site. We will rely on your staff to help coordinate and market any public presentations. You know your community best, and you know the critical audiences that need to be engaged. We place few restrictions on the number of presentations per day, but we typically suggest no more than three per day to audiences of your choosing. This could be your Chamber, Neighborhood Associations, City and County Leadership, or general public presentation at night. Mr. Minicozzi can also conduct workshops with staff and/or Planning Commissioners.

WHAT WILL BE THE LASTING IMPACT OF THE ANALYSIS ON OUR COMMUNITY?

The final deliverable will be a report of the analysis findings, either in an online report format or a PDF file. This document can be put on your city's website, and an executive summary with metrics and benchmarks that can be referred to, year over year.

Additionally, Urban3 will provide the City with 2D and 3D economic models of both the City and the County. These will be delivered as a map package in ArcGIS format, and usable by City staff. On a 3 to 5 year basis, these models can be updated by staff to show the change in value over time. Additional deliverables will include all final presentations in

PowerPoint and PDF format and graphics and text for the final report. We will provide an annotated presentation for ongoing use by city staff, and training for presenting the data and analysis to audiences.

- Citizens will understand the financial impact of varying development types on their City's current and future budgets as they provide input in any planning process
- Elected officials will have a data-driven understanding of their city's economic development landscape, enabling them to make informed decisions about future development and policy
- We will provide policy recommendations for creating a more fiscally sustainable approach to future development
- A 3D model of your City's property and sales tax revenues, that can be updated on an annual basis
- The City will understand its role in the economy of the broader County, enabling advocacy efforts regionally

BUDGET

Task	Position		Total
Data collection & existing conditions	Creasy		$2,080
	Minicozzi		$620
Virtual Site visit	McCarty		$1,920
	Creasy		$1,040
Model processing	Creasy		$4,160
Economic Analysis, Model Analytics & Graphic Creation	McCarty		$3,120
	Creasy		$8,580
	Minicozzi		$1,550
Storyboarding	McCarty		$2,560
	Creasy		$2,080
	Minicozzi		$1,240
Presentation prep	Minicozzi		$4,340
	Clum		$3,960
Final presentations (2 days onsite, 2 travel days)	Minicozzi		$7,440
Final Report and Map Package	Minicozzi		$930
	Creasy		$5,200

Project Management	Walters		$2,720
Administration	Nelis-Masters		$680
		Subtotal	$54,220
* Expenses are estimates based on standard GSA rates and include food, lodging, and auto/airline travel costs.		Expenses (est.)*	$1,500
		TOTAL	$55,720

STAFF HOURLY RATES

Staff	Position	Hourly	Day Rate	Travel Rate
Joe Minicozzi	Principal	$310	$2,480	$1,240
Cate Ryba	COO/Planner	$210	$1,680	$840
Phillip Walters	Project Manager/Planner	$170	$1,360	$680
Josh McCarty	Lead Analyst	$160	$1,280	$640
Will Creasy	Analyst	$130	$1,040	$520
Andrew Clum	Analyst	$110	$880	$440
Pierce Holloway	Analyst	$90	$720	$360
Caitlen Nelis-Masters	Administrative	$68	-	-