

V2020 FISCAL RESOURCES TASK GROUP
Meeting Minutes 12/15/11

ATTENDEES: Pete Howard (Acting Chair), David Garbarino, Heather Remoff, Maggie Garbarino (observer)

2 - Continuing discussion of development options/new growth analytics

How much development do we need? Pete noted that Gordon had asked the Deputy Town Manager, Adam Chapdelaine, to get info on the new growth in Cambridge on Mass Ave in North Cambridge. We might be able to apply this to Mass Ave in East Arlington. So far no response from Cambridge.

What did we learn from Bruce Fitzsimmons? A review of possible development sites. A review of the Brighams site. Zoning obstacles. His interest in "form based zoning codes". The ARB is considering revisions to encourage redevelopment including overlay districts.

Census Survey Draft Preview Pete provided draft copies of the Vision 2020 Census Survey. We paid particular attention to the last question (Ref1), Gordon's suggestion, on ways to achieve sustainable financing w/o overrides. David pointed out that long term planning is more effective when revenues are predictable. Heather said she would like to write one or more short essays analyzing the results when known.

Recent Lincoln Institute Lecture Heather provided a summary (Ref2) of Professor John Anderson's talk on using abatements to achieve LVT objectives. She believes that this approach has possibilities and is considering a series of contacts w/ the assessors.

Databook application David discussed the booklet Municipal Financial Data (Ref3), an annual product of the Massachusetts Taxpayers Foundation. The booklet provides key data for all MA cities & towns. We agreed that this should be a useful reference.

Enhancing Revenue Growth Review of David's outline from last month (See minutes of 11/17/11. We agreed that it is a good start. David will expand his thoughts on what FRTG can do. We discussed possible study of the Zoning Bylaw. Pete will get the Bylaw & zoning map.

Can we afford not to develop? Pete thinks that there is evidence that many residents are losing purchasing power. If this trend continues overrides will become more difficult to pass as real estate taxes become a larger piece of resident income. He provided census data from 1999 & 2009 on income distribution in Arlington as evidence.

What next? We will continue as noted above.

3 - NEXT MEETINGS – Third Thursdays , Following mtgs in Town Hall Annex 1st

Flr Conf Rm: 1/20, 2/17, 3/16, 4/20, 5/18

Ref 1 Census Question 7

Ref 2 Abatement Arabesque

Ref 3 Available to download from www.masstaxpayers.org

Ref 4 Arlington Income Distribution Comparisons

Ref 1

To meet Arlington’s goal of achieving financial sustainability, we must operate without a structural deficit (expenses rise at a rate greater than revenues). Below are some ways to address this challenge.

Indicate your support of or opposition to the following.

	Oppose	Neutral	Favor		Oppose	Neutra l	Favor
Commercial development	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Community Preservation Act (CPA- matching state funds)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Residential development	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Reduced services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Periodic Property Tax Overrides (Prop 2.5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Further regionalization of services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Debt exclusions to finance specific building projects	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Increased State Aid	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pay as You Throw (PAYT) for trash removal	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Revised business/commercial tax structure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Abatement arabesque__ For many governors there are three most important issues: jobs, jobs, and jobs. Tax incentives or tax breaks in the form of abatements - a way of luring businesses to locate to a city, provide jobs, and develop or redevelop a site within the municipality - are in place in at least 35 states. The basic abatement, most often on newly developed land, is a reprieve from the property tax obligation, or a reduction, usually over a period of time; the free online database [Significant features of the Property Tax](#) includes information on relief measures in place in all 50 states. Whether the tax-break strategy works on the whole for economic development is up for debate, but economist John Anderson, working with another visiting fellow, Richard Dye, has observed that many abatement strategies look an awful lot like the land value tax. The tax on the value of capital improvements is removed, while the tax on the value of land is kept. In the final installment of the fall lecture series yesterday at Lincoln House, Anderson explored the possibilities for making property tax abatements more like the LVT, with all the associated efficiency benefits. The efficiency advantages of the land value tax (LVT), compared to a traditional property tax on both land and structures, are well established. In particular, a land-only tax does not discourage choices to build or maintain structures, while the property tax does. Yet authorization or adoption of a land value tax continues to be quite rare. Implementation and results vary equally widely, according to [Assessing the Theory and Practice of Land Value Taxation](#). Abatement programs are much more common and politically palatable. To best mimic an LVT, abatements should be comprehensive, unconditional, and permanent, but a review of the features of existing abatement programs across states finds instead that most are particular, conditional, and temporary. John Anderson is the Baird Family Professor of Economics in the College of Business Administration at the University of Nebraska-Lincoln. An advisor to public policymakers in the fields of public finance, fiscal reform, and tax policy, he served as a senior economist with the President's Council of Economic Advisers in Washington, DC, in 2005-06. He has also advised state governors and legislatures, and numerous state agencies in the United States. In the international arena, he served as a technical advisor on fiscal reform projects and local government reform projects in Moldova, Montenegro, and Macedonia.

Ref 4

Arlinton Income Distribution Comparisons

2000 Census *	1999\$	%	avg income	2011\$	1999	CPI 99 to 11	1.36
		2000				CPI09 to 11	1.06
	<10k	1052	5.5%	5	6.8	5.5%	
	10k-25k	2338	12.3%	7.5	10.2	12.3%	
	25k-50k	3994	21.0%	37.5	51	21.0%	
	50k-75k	3724	19.6%	62.5	85	19.6%	
	75k-100k	3041	16.0%	112.5	153	16.0%	
	100k-150k	3190	16.8%	125	170	16.8%	
	>150k	1661	8.7%	150	204	8.7%	
		19000	100.0%				

*From 2007 Treasurer's Bond Anticipation Note Statement attributed to 2000 Census

2005-2009 avg**	2009\$	Combine to match 2000	2011\$	2009			
	<10k	856	<10k	856	4.7%	5.3	4.7%
	10k-15k	652	10k-25k	1707	9.4%	7.95	9.4%
	15k-25k	1055	25k-50k	2538	14.0%	39.75	14.0%
	25k-35k	989	50k-75k	3023	16.7%	66.25	16.7%
	35k-50k	1549	75k-100k	2953	16.3%	119.25	16.3%
	50k-75k	3023	100k-150k	3840	21.2%	132.5	21.2%
	75k-100k	2953	>150k	3201	17.7%	159	17.7%
	100k-150k	3840					
	150k-200k	1461					
	>200k	1740					
		18118	18118	100.0%			

**From American Community Survey from Census Bureau 2005-2009 data average

