



The economic effect of a typical new subdivision in the Quinebaug-Shetucket Heritage Corridor A Brooklyn, CT example

If a new subdivision of 20 building lots is occupied by 20 families, and each family consists of 2.99¹ members there would be 59.8 new residents in town.

Of these new residents, 19.8%¹ would be students under the age of 18, increasing the school enrollment by 11.84 students.

The education cost per student is \$8,842; currently the state reimburses the town 48%, resulting in a net cost per student of \$4,598².

The total net cost to the town for these new students would be \$54,440 (11.84 x \$4,598) and the increased cost for other town services would be another \$1,568³. So, the total cost of community services is \$56,008 per year for this new subdivision.

Assuming an assessment of \$100,000 (current average is \$96,229⁴) and a mill rate of 24.33² the tax revenue raised by the 20 new homes in the subdivision would be \$48,660 (100k x 24.33 x 20).

In summary, the subdivision would increase tax revenue by \$48,660 but use services costing \$56,008 for a NET LOSS to the town of \$7,348 annually. Taxes would need to be raised on ALL property in town because these 20 lots were developed.

What would happen if the town bought that parcel and converted it to protected open space? The average assessed value of vacant parcels greater than 45 acres is \$60,160⁴, so only \$1,464 of tax revenue would be lost. *The town would save \$ 5,884 annually* (\$7,348 - \$1,464) by purchasing the land for open space.

Further, studies show that the land surrounding protected open space increases at a rate far greater than other land⁵, the increased value ranges from 6 – 15% in rural areas to as much as 50% in an urban location. *If the surrounding land increased just 2.8%⁴, that increased tax revenue would make up for the tax lost on the parcel.*

The above calculation does not take into consideration the impact growth would have on school infrastructure. If population trends continue at the pace of the past 30 years, the town population will grow at 12-15% per decade. The strain placed on the school infrastructure will result in either building expansion projects and/or new school buildings. The annual bond payment would be more than \$250,000 for a modest expansion to over \$1,500,000 for a new school – after state reimbursement. This additional annual cost would be born by all town residents.

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¹2000 US Census Statistics for Brooklyn Connecticut

²Town of Brooklyn 2002-03 budget

³Brooklyn Cost of Community Services Study 2002-2003

⁴Brooklyn Grand List

⁵*Economic Benefits of Open Space and Your Local Taxes*, Robert Levite