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New Development Approaches Can Promote Fiscal Sustainability, Improve Quality of Life

Study Explores Ways for Local Governments to Responsibly Address Rapid Growth

(June 7, 2019) – Today, Utah Foundation releases <u>Building a Better Beehive: Land Use Decision Making, Fiscal Sustainability and Quality of Life in Utah</u>. The report explores the fiscal challenges that accompany growth, both in the short-term and in the long-term. The report also draws from <u>Utah Foundation's 2018 Quality of Life survey</u> to demonstrate what Utahns value most in their communities, and which issues concern them most.

Building from the fiscal challenges and quality of life concerns, the report identifies five strategic categories to confront the challenges of growth:

- Promoting efficient land use.
- Expanding transportation options.
- Preserving green spaces and natural assets.
- Preserving and improving community character.
- Avoiding undue taxpayer subsidy of new growth.

The discussions contained within these five categories are meant to help local governments plan for growth in a way that secures fiscal sustainability and promotes a high quality of life.

Finally, Utah Foundation surveyed dozens of cities across Utah to reveal the challenges and trends on the ground. The report examines the survey results and offers a series of bite-sized cases studies across the state where Utah cities are already deploying key features of the strategies under discussion.

Key findings of the report include:

- Nearly 76% of Utah local governments responding to a Utah Foundation survey noted that the need
 to increase road capacity was one of the greatest impediments to growth, with water infrastructure a
 close second.
- About 64% of Utah local governments surveyed said their residents expressed "high" or "extreme concern" over increasing residential density.
- Promoting efficient land use will require policymakers to seek strategic opportunities to increase density, encourage mixed-use development where appropriate and implement parking management strategies.
- Compared to 10 years ago, about 83% of local governments surveyed by Utah Foundation responded that they allow for higher-density developments and 72% allow for smaller lot sizes.
- About 95% of local governments surveyed by Utah Foundation zone for multi-family housing.
- About 83% of local governments surveyed by Utah Foundation noted that they zone for mixed-use development.

- Traditional main street / downtown properties can have far higher property values per square foot than suburban retail areas. Comparison properties in various Utah cities demonstrated a mixed-use property delivered \$375 per square foot, compared to \$37 for a big box store.
- Transit-oriented development, pedestrian friendly development features and interconnected street networks all offer opportunities to expand transportation options and reduce congestion.
- About 52% of local governments surveyed by Utah Foundation noted that they have zones to accommodate transit-oriented development.
- Preserving green spaces and natural assets is a key quality of life concern to Utahns.
- Utahns would like to see improvements to community spaces. Key policy areas to consider include place-based planning, programs to improve building conditions, and policies and investments to improve streetscapes.
- After adjusting for inflation, total impact fees decreased by 3% for multi-family units from 2007 to 2018, and by 13% for single-family units.
- About 68% of local governments surveyed by Utah Foundation use other funds along with impact fees to cover costs of new infrastructure, primarily to promote affordability.
- Communities across Utah are moving to create or promote higher-quality community spaces that more efficiently use land and include a mix of uses to help build the tax base. Walkable, transit-oriented developments allowing for higher densities are among them.

Utah Foundation President Peter Reichard says the report is meant to enhance citizen awareness of the challenges and opportunities facing local communities, as well as inform public discussions around planning and land use. "The decisions we make now will leave a legacy, both in terms of the fiscal picture for local governments and for quality of life," Reichard says.

Special thanks to Union Pacific, the Utah League of Cities and Towns and the Wasatch Front Regional Council for providing project funding to support this report. Building a Better Beehive: Land Use Decision Making, Fiscal Sustainability and Quality of Life in Utah is available on the Utah Foundation website at www.utahfoundation.org.

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Founded in 1945, Utah Foundation's mission is to produce objective, thorough and well-reasoned research and analysis that promotes the effective use of public resources, a thriving economy, a well-prepared workforce and a high quality of life for Utahns. Utah Foundation seeks to help decision-makers and citizens understand and address complex issues. Utah Foundation also offers constructive guidance to improve governmental policies, programs and structures.

Utah Foundation is an independent, nonpartisan, nonprofit research organization.

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