

Mixed Use Development: *A Model that More than Pays for Itself*

The average annual cost of a pupil in FCCPS for School Year 2014/2015 is **\$15,703** as measured by our fiscal impact model. The model also measures the marginal impact costs of proposed development on the City's general government operating budget. At the same time, all single family homes (SFH) utilize City services and generate school operating expenses in homes where pupils reside.



Mixed Use Developments

The first six mixed-use development projects in the City (Broadway, Byron, Spectrum, Read Building, Pearson Square, and now Northgate) contain a total of 720 dwelling units, a combination of apartments and condos. In School Year 2014/15, 183 FCCPS pupils reside in these buildings for an overall ratio of **0.25 pupils per unit**.

These six mixed-use projects yield about **\$7.1 million** per year in gross, direct, tax revenue to the City from real estate and personal property taxes, as well as taxes generated by business tenants in these buildings. On a per-pupil basis, the mixed-use projects contribute about **\$38,688** per year for City operating costs, including schools.

In addition, developers of the first six mixed-use projects have contributed about **\$3.4 million in cash** for school capital needs.



Single Family Homes

In School Year 2014/15, 1,492 pupils lived in the City's 2,368 SFHs, or **0.63 pupils per SFH**. Using a 2014 mean value of \$716,000 for a SFH in Falls Church and the 2014 real estate tax rate of \$1.305, SFHs generated about \$22.1 million in real estate taxes and about \$1.6 million in personal property taxes for a total of \$23.7 million. Therefore, on a per-pupil basis, SFHs contribute about **\$15,885** per year.

Residents of SFHs do not make special school capital contributions in large lump sum payments. If the citizens of Falls Church approve bond referendums for new school facilities, the additional taxes associated with debt service for those bonds are also shared by mixed-use development residents.

There are two main drivers behind the results highlighted here:

1. mixed-use projects have far fewer pupils per dwelling unit than SFHs; and
2. revenue produced by commercial activity in mixed-use buildings contributes significantly to the City's overall revenue yield.

In aggregate, **mixed-use development has proven itself a reliable generator of millions of dollars each year in new tax revenue and positive net fiscal impact for the City**. Since 2002 and the first mixed-use project in the City, these buildings account for 27% of new pupils in the public school system, while single family homes, older apartments, townhouses, and other existing housing have contributed 73% of growth in the pupil population.

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<http://www.fallschurchva.gov/edo>



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