



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Economic Development Division

m e m o r a n d u m

TO: Laurel Lunt Prussing, Mayor

FROM: Elizabeth H. Tyler, AICP, Director, Community Development Services

DATE: July 19, 2007

SUBJECT: **An Ordinance approving and authorizing the execution a Memorandum of Understanding with the United States Department of Commerce Bureau of the Census for a Partial Special Census**

Introduction and Background

Due to several factors, including favorable interest rates, a healthy real estate market, annexations, and the Build Urbana program, the City has seen significant residential permit growth and activity since the year 2000. For this reason, City staff has discussed whether the official 2000 Census population figure of 37,372 significantly underestimates the actual population of Urbana today.

To account for population growth between the decennial Census, the U.S. Census Bureau offers local communities the opportunity to perform a special census. This special census is coordinated by the U.S. Census Bureau and paid for by the local jurisdiction. A partial special census allows the local government to target specific census tracts and blocks for updating. Since most of the residential growth has been in southeast Urbana, or related to specific projects, such as Capstone Quarters or Landis Farm, it will be beneficial to the City to conduct a partial special census concentrating on those areas specifically (Exhibit B).

The advantage to showing a population increase through the special census is in intergovernmental revenue sharing that is determined by formulas based on population. In the case of Urbana, Illinois State income tax, corporate personal property replacement tax, and motor fuel tax are all disbursed on formulas with some factor based on population. By showing a population increase since the 2000 Census, the City will realize additional intergovernmental revenues. Locally, Champaign, Savoy, Mahomet, and St. Joseph have all participated in the special census program.

Discussion

Some of the key issues that will determine whether it is cost effective for the City of Urbana to move forward with a special census are listed below.

Population Increase

In order to estimate the cost of the special census, City staff was required to provide a population growth estimate for the areas to be included in the effort. Based on building permits issued since the 2000 Census, City staff, with the help of the U.S. Census Bureau, was able to estimate that the population in the identified census tracts and block groups has increased by approximately 2,400 people. This estimate is based on construction permits issued for new development projects and build-out of existing subdivisions, including Beringer Commons, Savannah Green, Stone Creek, Prairie Winds, Southridge, Capstone Quarters, Amber Pointe, Landis Farm and others. Depending on the type of residential unit constructed, a population multiplier was used to estimate the total population growth for the census tracts and block groups being considered.

Process

The U.S. Census Bureau has provided the City with a preliminary cost estimate (Exhibit C) to conduct the special census and a Memorandum of Understanding (Exhibit D) to be executed and returned. Upon receipt of the executed Memorandum of Understanding, the Census Bureau estimates the total time needed to conduct the special census and provide certified data will be approximately six to seven months. This breaks down as approximately three months of preparatory work, approximately one month for enumeration, and approximately three months for processing and certification.

Upon certification of the updated special census figures, the next step will be to have the State of Illinois recognize the new population numbers. The U.S. Census Bureau will notify any Federal, state, or local agency of the updated figures. In discussions with Illinois Department of Revenue representatives, City staff has learned that once the special census results are certified and mailed to the state, it takes approximately three months for the change to be incorporated into the monthly revenue sharing formulas.

Therefore, if the partial special census confirms that the specified census tracts and blocks have seen a population increase, it is reasonable to expect that the City of Urbana will realize increased revenues approximately 10-12 months from when the U.S. Census Bureau receives the executed Memorandum of Understanding.

The deadline for submitting an executed Memorandum of Understanding is February 2008. If the City were to submit by February 2008, we should realize additional revenues 12 months later in March, 2009. Enumeration for the 2010 Census begins in April 2010, and results are due no later than December 31, 2010. Once results are tabulated, the data is reported to the various local, state, and federal agencies for adoption over the next several months. It is reasonable to expect that the 2010 Census results will not be adopted for revenue sharing purposes until January, 2011. This means that the City will realize approximately 22 months of increased revenues beginning in March, 2009, until January, 2011.

Fiscal Impact

Costs

The U.S. Census Bureau has estimated a cost of \$172,248 to conduct the partial special census. \$110,000 is paid in advance and submitted with the executed Memorandum of Understanding. This \$110,000 covers the Census Bureau's administrative costs to manage the special census and process the enumerated data. The remaining \$62,248 is held by the City to pay for local expenses to conduct the actual enumeration for the special census.

The City will also be required to provide adequate, secure office space for special census operations, including phone lines, copiers, and furniture. In addition, it will be necessary for the City to conduct basic outreach efforts to include advertising for local census enumerator positions and educating the public, particularly those areas to be included in the special census, about the process. Office space, equipment, and promotional efforts can be expected to cost between \$10,000 to \$15,000.

Aside from the direct costs estimated by the Census Bureau, there are also some indirect costs that should be included in the analysis. The City will need to assign a project manager to the special census project to coordinate with Census Bureau staff. This project manager will likely need to concentrate specifically on the special census project for approximately 4-6 months.

The City's total cost to conduct the special census, including Federal and local expenses, will be approximately \$180,000 to \$190,000, not including staff resources attributable to the project. Although this effort is not specifically budgeted at this time, staff has discussed the possibility of this expense being covered as a loan from the Economic Development Fund to be repaid by the additional revenues generated as a result of the special census.

Revenue

The Illinois Secretary of State's office estimates that state shared revenues average approximately \$122.25 per capita annually with a breakdown as follows:

Revenue Increase from State Shared Revenues	
Revenue Type	Annual Amount Per Capita
State Income Tax	\$ 79.20
State Use Tax	\$ 13.30
Motor Fuel Tax	\$ 28.52
Library Grant	\$ 1.23
Total Per Capita	\$ 122.25

For a conservative revenue estimate, the estimated population increase of approximately 2,400 for the designated areas can be reduced by 10% to 2,160 new residents. A population increase of 2,160 from the 2000 Census at \$122.25 annually will result in approximately \$22,000 in additional revenue per month. As was stated above, the proposed timeline for the special census would allow for approximately 22 months of increased revenues under the revised population figures. This amounts to approximately \$484,000 in additional revenue over 22 months.

Analysis

With \$484,000 in additional revenue at a cost of \$190,000, the City could potentially realize approximately **\$294,000** in net revenue over the 22 month period from March 2009 to January 2011.

While the special census effort appears as if it will be beneficial to the City, staff will continue to evaluate several factors to ensure it is in the best interests of the City to move forward. These factors include the time and resource commitment from City staff, the availability of reasonably priced office space, the costs for marketing and outreach, and the City's costs to conduct the local enumeration.

Options

1. Forward the ordinance approving and authorizing the execution of a Memorandum of Understanding with the United States Department of Commerce Bureau of the Census for a Partial Special Census to City Council as presented with a recommendation for approval.

2. Forward the ordinance approving and authorizing the execution of a Memorandum of

Understanding with the United States Department of Commerce Bureau of the Census for a Partial Special Census to City Council with changes with a recommendation for approval. It should be noted that any changes to the Memorandum of Understanding will need to be agreed upon by the Census Bureau.

2. Forward the ordinance approving and authorizing the execution of a Memorandum of Understanding with the United States Department of Commerce Bureau of the Census for a Partial Special Census to City Council with a recommendation for denial.

Recommendation

Staff recommends that the Committee of the Whole forward the attached ordinance to the City Council's regular meeting on August 6, 2007 with a recommendation for approval.

Prepared by:

Tom Carrino, Economic Development Manager

Attachments:	Exhibit A:	Draft Ordinance
	Exhibit B:	Map of Areas to be Included in the Partial Special Census
	Exhibit C:	Cost Estimate for the Partial Special Census from the United States Census Bureau
	Exhibit D:	Memorandum of Understanding with the United States Census Bureau

Exhibit A

ORDINANCE NO. 2007-07-090

AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING WITH THE UNITED STATES DEPARTMENT OF COMMERCE BUREAU OF THE CENSUS FOR A PARTIAL SPECIAL CENSUS

WHEREAS, the City of Urbana, Illinois has experienced significant, measurable population growth since the 2000 Census; and

WHEREAS, officially tabulating that growth through the partial special census process will result in additional revenue for the City of Urbana; and

WHEREAS, it is in the interest of the people of Urbana to execute the Memorandum of Understanding with the United States Department of Commerce Bureau of the Census for a partial special census.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. The City Council hereby approves and authorizes the execution of a Memorandum of Understanding with the United States Department of Commerce Bureau of the Census for a partial special census.

Section 2. That the Mayor is hereby authorized to execute and the City Clerk to attest the said Memorandum of Understanding.

Section 3. This Ordinance takes effect immediately upon passage and approval by the Mayor.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a meeting of the Council.

PASSED by the City Council this ___ day of _____, 2007.

AYES:

NAYS:

PRESENT:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this ___ day of _____, 2007.

Laurel Prussing, Mayor