Fee Projections

September 21, 2020

Fee Projection Methods

Historical

One- year

Three-year

Longer

Referential

Building Permits

Employment

Vacant Parcels

Combination

Historical

And Vacant Parcels

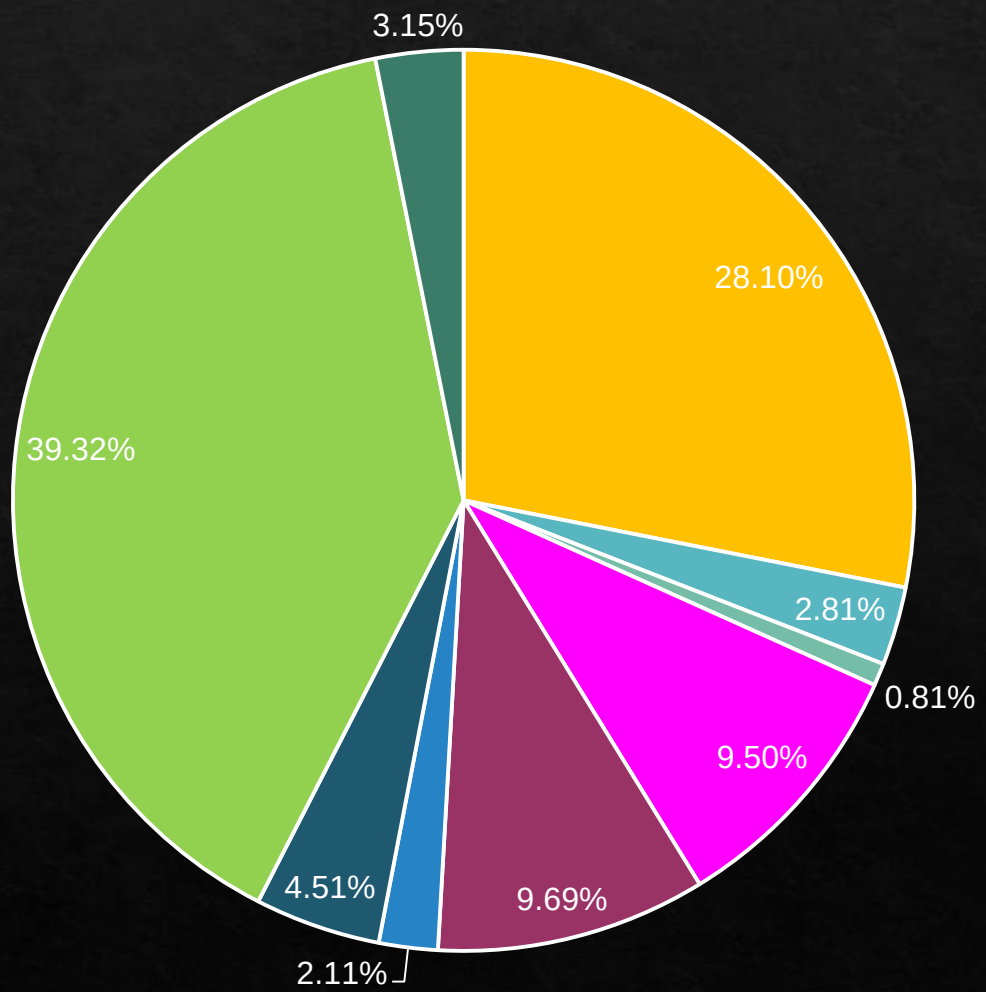
And General Economy

“Gut Check”

Historical

- Looking at fee revenue itself
- Application types
- Basing future performance on past performance

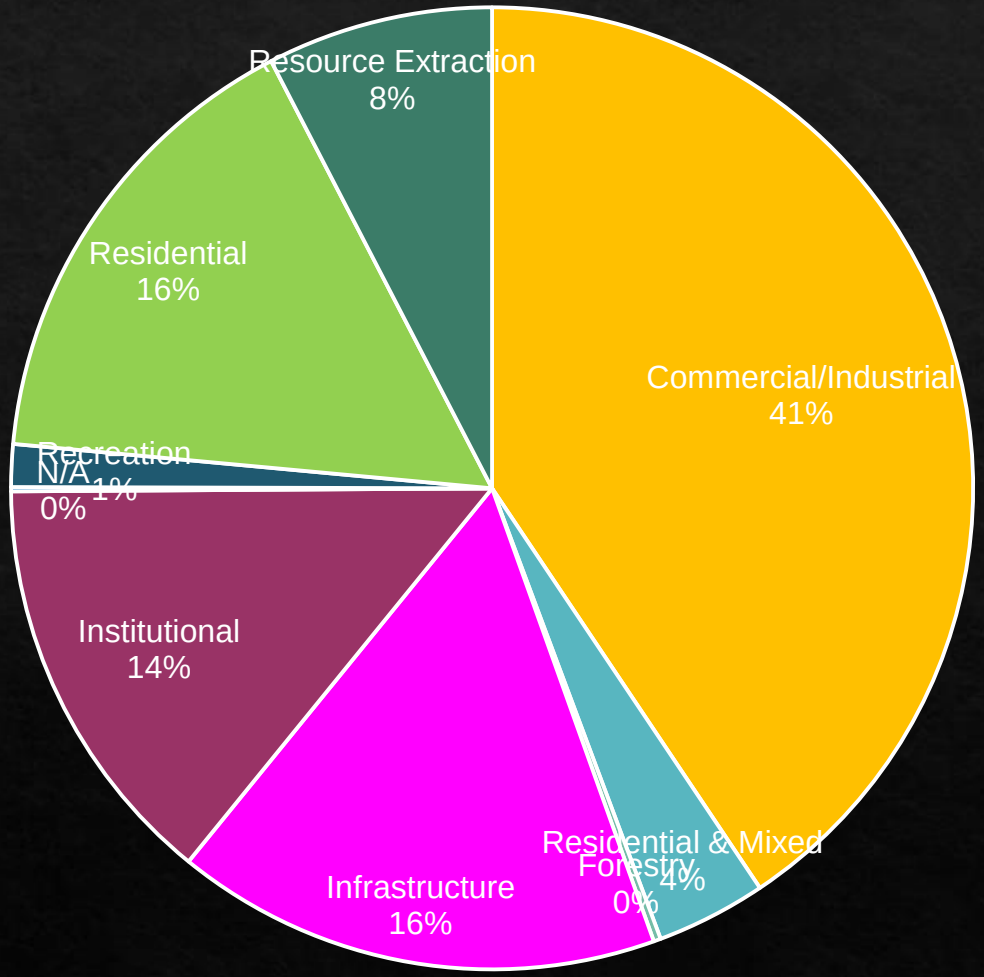
Percentage of All Applications (2008 – 2020*)



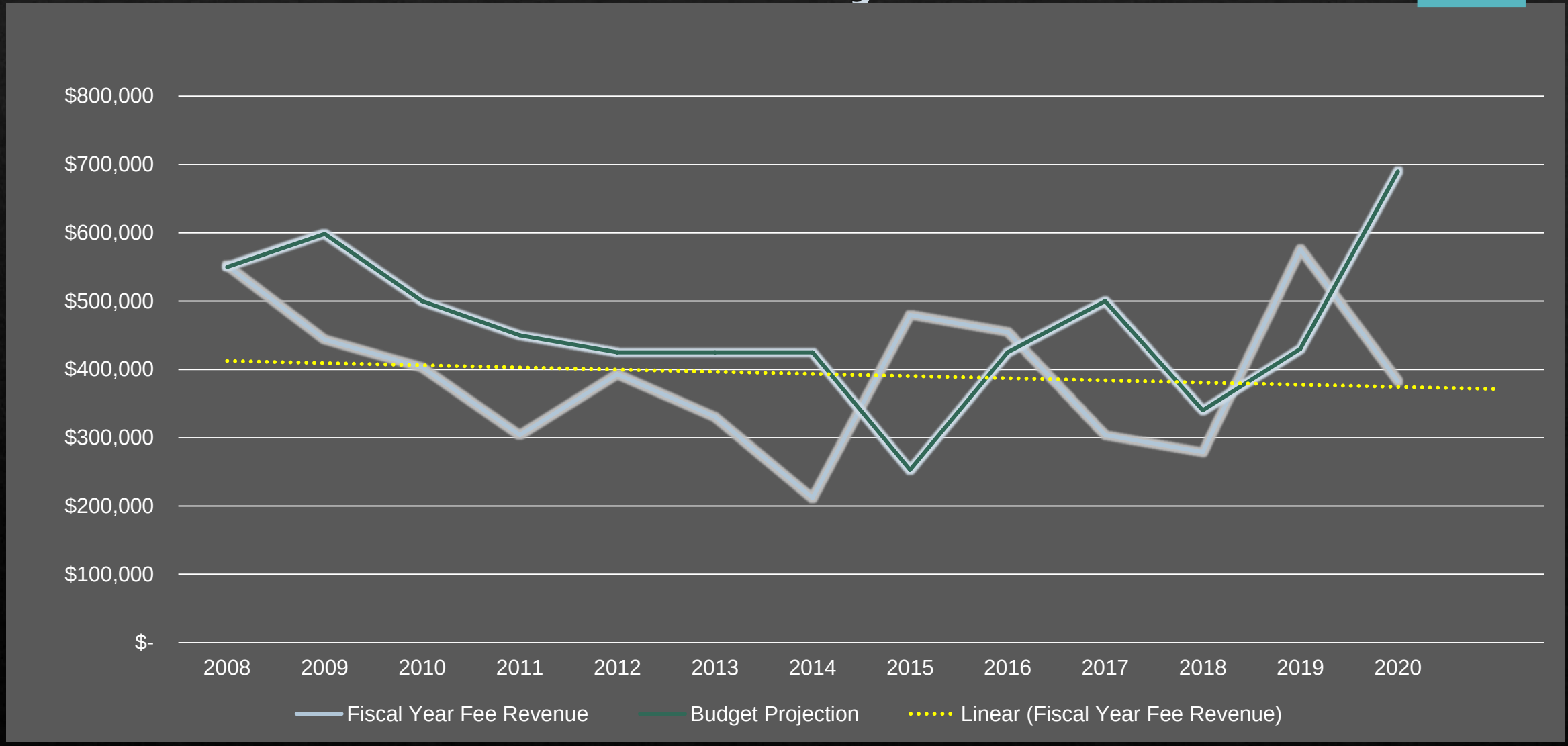
- Commercial/Industrial
- Residential & Mixed
- Forestry
- Infrastructure
- Institutional
- N/A
- Recreation
- Residential
- Resource Extraction

*2020 data incomplete – only applications thru April are included

Proportion of Fee Revenue (less refunds)



Fee Revenue by Fiscal Year



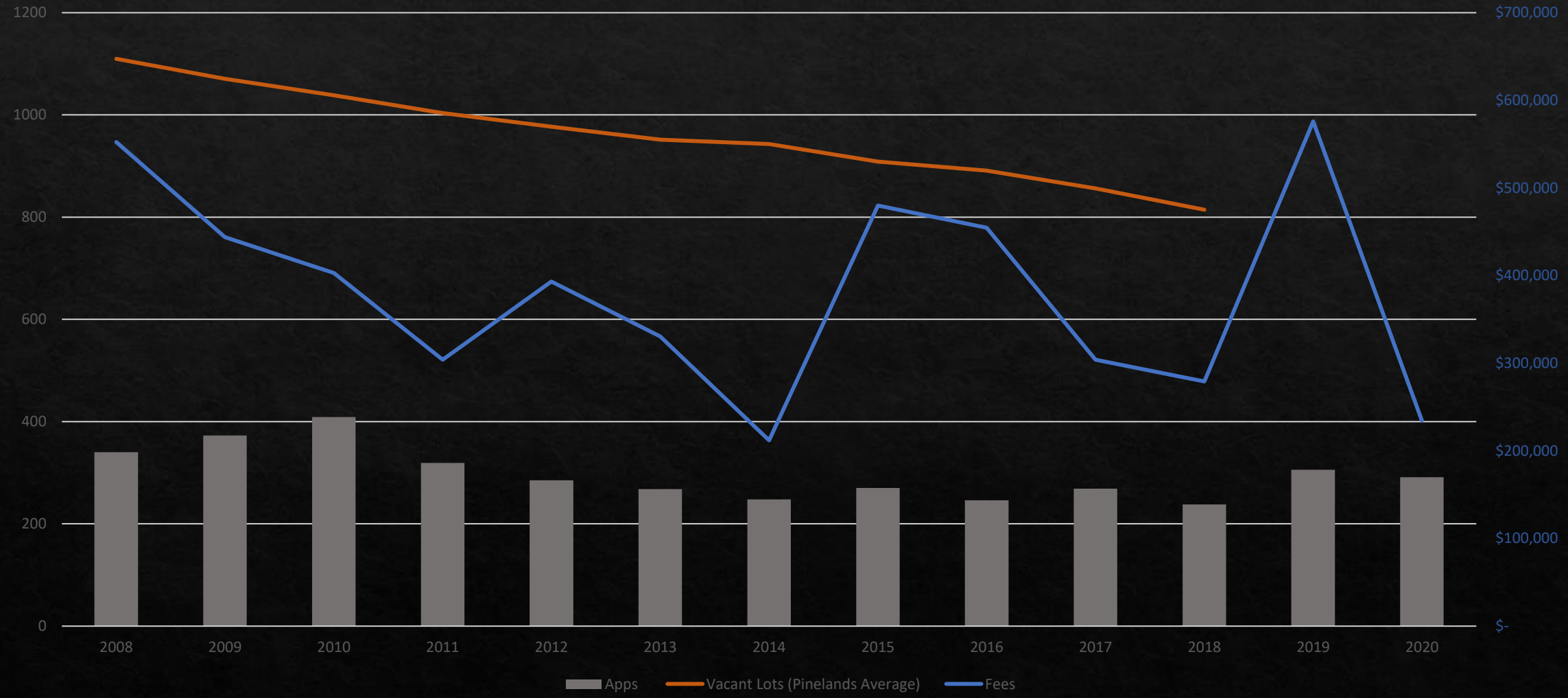
Historical → Projected

- Past year revenue
  - Greatest variability
  - One major application changes everything
  - One standard deviation for the period = $116,000
- Three- year average revenue - $412,557
  - Compared to 2020 actual - $382,676
  - Compared to 2020 budget projection -$690,000
- Five-year average revenue - $399,238
- Twelve-year average revenue - $393,432

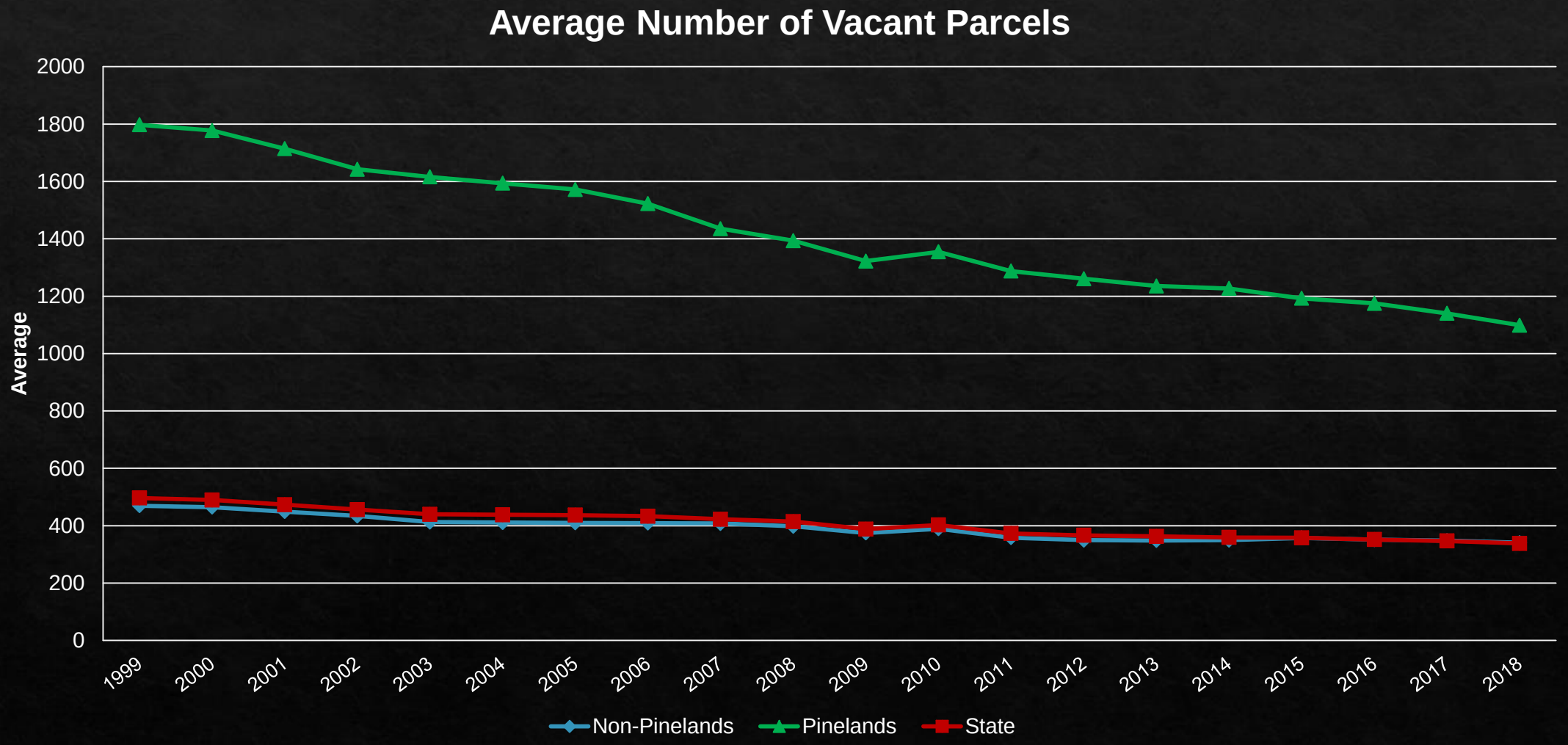
Referential Method

- Use other metrics to project future fees – “If X is trending up, then application fees will also go up”
- Potential Metrics (Long Term Economic Monitoring data)
  - Vacant lots
  - Employment
  - Building Permits
  - Population

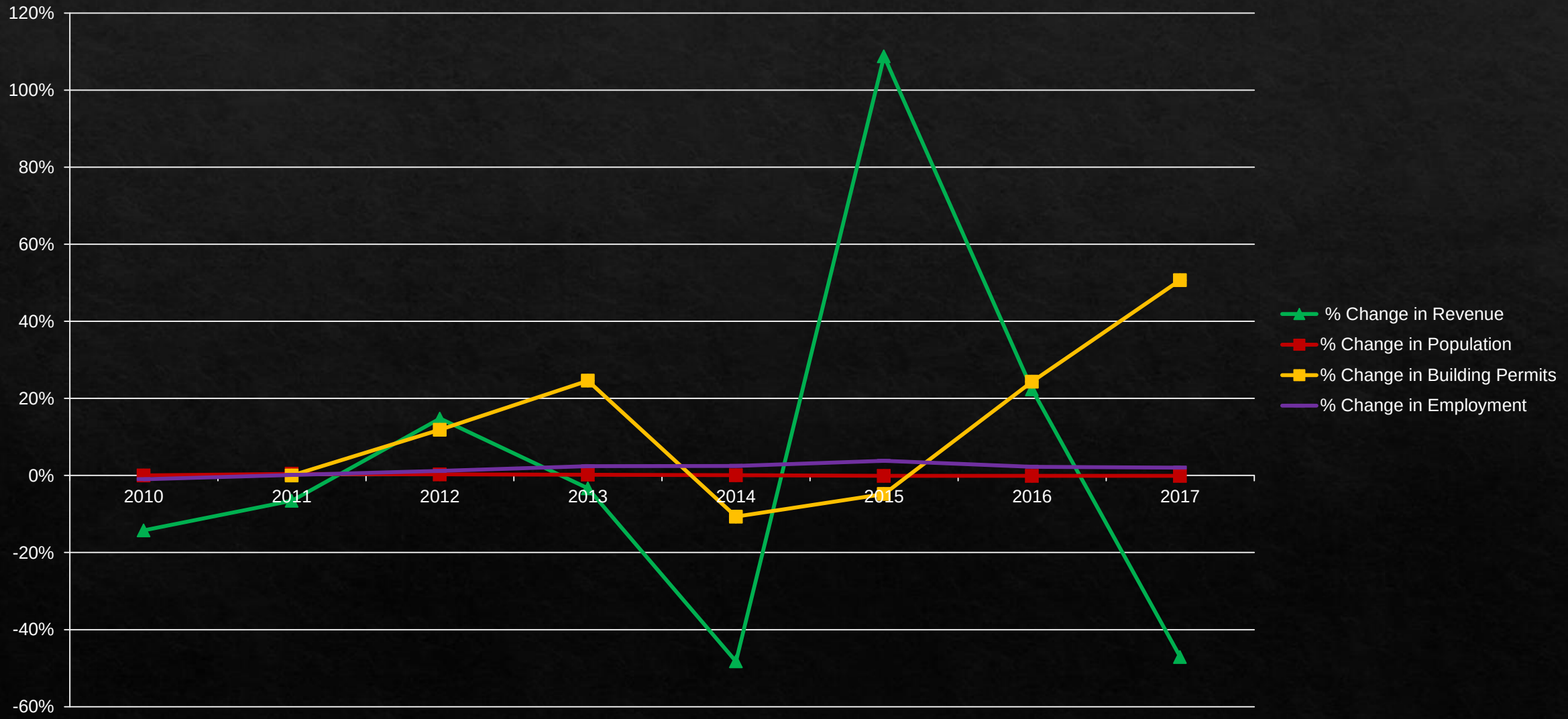
Vacant Lot Trend vs. Fee Trend



L-2 Vacant Parcels by Region



Comparing Other Metrics (year over year change)



Combination Method

- Use historical revenue data
- Use an average of the annual revenue
- Apply a “gut check” via other economic trends
  - The number of vacant parcels in the Pinelands region will eventually be comparable to non-Pinelands region and the State (~2028)
  - Re-development will continue
  - Upward and downward spikes will happen
- Review historical trends in separate application types, particularly residential and commercial/industrial

Recommendation

- Use longer term annual fee revenue average to project next fiscal year
- Suggest 5-year average for the combination of long-term trends and more recent influences
- Five-year average was $399,238 – Round to $400,000 for FY2021