



Attachment One

Progress Report on the Socio-Economic Impact Analysis of the Preliminary Draft of the Regional Water Supply Plan by Southeastern Wisconsin Regional Planning Commission

Presented to SEWRPCs Environmental Justice Task Force

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What is a socio-economic impact analysis?

- A tool to determine whether or not a proposed development will have a negative or positive impact on
 - Social
 - Economic
 - Environmental
 - And Fiscal well-being of a community (current and future residents)
- A two-fold process
 - Quantitative Measures
 - Facts or conditions
 - Trends
 - Projections
 - Public Outreach
 - Public Feedback
 - Identify issues that are not easily quantifiable

Strategy for Socio-Economic Impact Analysis of Regional Water Supply Plan

- Context of the Socio-Economic Impact Analysis:
 - What impact, if any, would implementation of the regional water supply recommendations have on the overall distribution of population and ethnic and racial segregation patterns in the Region?
 - What impact, if any, would implementation of the regional water supply recommendations have on the overall distribution of jobs in the Region?
 - What impact, if any, would implementation of the recommendations have on the fiscal health and well-being of low-income families?
 - What impact, if any, would implementation of the recommendations have on housing patterns in the Region?
 - To what extent would implementation of the recommendations contribute to any failure of the plan to meet Federal regulations regarding Civil Rights and Environmental Justice?

and

 - Is the source of water a constraint to development?

Strategy for Socio-Economic Impact Analysis of Regional Water Supply Plan

- Quantitative Analysis
 - Goal is to evaluate each of the 6 major RWSP recommendations to determine if there is any potential impact on
 - Population and segregation patterns
 - Job locations
 - Low Income populations
 - Housing and land use patterns
 - Environmental Justice regulations
- Public Outreach
 - Goal is to gain public feedback
 - Focus Group First session: Impact on Development (developers, planners, utility personnel)
 - Focus Groups Second session: Impact on Community (community advocates, politicians)

Strategy for Socio-Economic Impact Analysis of Regional Water Supply Plan

- The Six Recommendations from the RWSP
 - Sources of Water Supply (Lake Michigan vs. groundwater supply)
 - 27 existing utilities to remain on Lake Michigan supply
 - 42 existing utilities to remain on groundwater supply
 - 9 existing utilities to be converted from groundwater to L. Mich supply
 - 21 new utilities to utilize groundwater supply
 - 2 new utilities to be created using Lake Michigan supply
 - Water Conservation Program
 - Recharge Area Protection
 - Stormwater Management Practices
 - High Capacity Well Regulation
 - Enhanced Rainfall Infiltration Systems

Strategy for Socio-Economic Impact Analysis of Regional Water Supply Plan

- Evaluating the Six Recommendations in the context of a SEI analysis
 - Sources of Water Supply (Lake Michigan vs. groundwater supply)
 - Potential Conflict between purchasing and providing utilities, “Selected Communities”
 - 9 existing utilities to be converted from groundwater to L. Mich supply
 - Brookfield, Cedarburg, Germantown, Grafton, Muskego, New Berlin, Saukville, Waukesha, Yorkville Utility District 1 (purchasing)
 - 2 new utilities to be created using Lake Michigan supply
 - Elm Grove, Northwest Caledonia area (purchasing)
 - 5 existing Lake Michigan utilities that could be providers of L. Michigan to those utilities
 - Kenosha, Milwaukee, Oak Creek, Port Washington, Racine (providing)

Strategy for Socio-Economic Impact Analysis of Regional Water Supply Plan

- Evaluating the Six Recommendations in the context of a SEI analysis
 - Evaluation was based on:
 - Historic trends and future socio-economic indicators and projections
 - A land use evaluation
 - Scientific evidence during the Regional Water Supply Planning programs
 - Input from two series of focus groups
 - And within the context of:
 - Public Service Commission, USEPA, and Wisconsin Department of Natural Resources regulations
 - Guidelines set forth in the Great Lakes Compact
 - Wisconsin state laws regulating planning at both the local, utility, and regional levels
 - Most planning decisions are made and enforced at the local level
 - » Role of Smart Growth Planning
 - Regional Planning (SEWRPC) is advisory rather than regulatory

Public Outreach:



- First Round of Focus Groups (Stakeholders = Developers, Planners, Utility Managers)
 - Roundtable discussion: Provide information regarding the plan recommendations (source of supply) and gain feedback on impact on development
 - Goal was to get between 5 and 7 participants at each session – a total of 29 participants
- Second Round of Focus Groups (Stakeholders = community advocates, environmental advocates, politicians)
 - Information session on the recommendations along with preliminary results from the SEI, followed by question/answer and SWOT analysis
 - How will RWSP recommendations impact low-income, minority, and disabled populations?

Public Outreach: Key Findings from First Set of Focus Groups

Questions posed regarding impact on development

- What role does water play in your decision-making process, particularly in the development process?
 - Water is important (necessary component) but more important than actual source is the infrastructure; and even more important than water infrastructure is sewer and road infrastructure (significantly more costly)
 - For developers/builders, the presence of water and access to water utility infrastructure is important, but the source of municipal water (Lake vs groundwater) did not matter. Developers stated a preference for developing within existing water service areas (with access to the infrastructure) based on the ability to lower costs (siting of and developing private wells) and the ability to ease red tape issues (permitting of wells). However, all development costs have to be taken into consideration.
 - Planners and utility managers pointed out their objectives are to keep costs low for each of its existing utility customers (helps to drive “compact, urban design”) and to keep citizens safe (role that municipal water supply plays in fire suppression); these objectives need to be balanced against ability to provide infrastructure to new development

Public Outreach: Key Findings from First Set of Focus Groups

Questions posed regarding development in proposed urban service areas with access to Lake Michigan water vs. Groundwater

- Would a switch from municipal groundwater to Lake Michigan water have any impact on the following:
 - The type or density of development allowed? **No**
 - Would the value of an undeveloped area increase based on accessibility to Lake Michigan water over existing groundwater? **No; as long as water is provided, and preferably municipally-supplied water, the value is not affected.**
 - For developers and builders: the locations your company would choose to develop residential or commercial/industrial properties? **No**
 - Is there a preference for developing within areas with either groundwater or Lake Michigan supply, based strictly on the water supply source? **No, but there is preference related to water infrastructure (developers would prefer to develop with access to water infrastructure than have to pay the costs of providing infrastructure)**

Public Outreach: Key Findings from First Set of Focus Groups

- Are there benefits or costs to developing in areas accessible to specific types of water supplies (Lake Michigan vs. municipal groundwater vs. private groundwater)?
 - Do you anticipate additional construction costs if there is a switch from groundwater to Lake Michigan water? **Yes and no (depending on utility). There will be the added expense of developing infrastructure to link into the Lake Michigan system, but there are no anticipated additional costs to the existing infrastructure. Ultimately, there is a trade-off in costs. No costs to the providing utility or their users.*
 - Do you anticipate additional costs (ie impact fees) if there is a switch from groundwater to Lake Michigan water? *No, not in areas with existing municipal infrastructure. Costs would be absorbed by new water users (those of the purchasing utility).*
- Do you foresee either source of municipal water supply (groundwater or Lake Michigan) as a potential constraint to development? *No*
 - Based on access to Lake Michigan water over municipal groundwater supplies – would you anticipate that development pace would increase, decrease, or stay the same? *Stay the same or have no impact; again it is the ability to access water infrastructure that matters most.*
 - In your opinion, do you believe that the presence of radium or other contaminants in groundwater has had an impact on development? *No, but problems with local conditions*

Public Outreach: Key Findings from First Set of Focus Groups

Development outside of existing urban service areas (no access to municipal water sources)

- Currently, is a lack of access to a municipal water source a constraint on development, particularly on the type or density of development allowed? Yes and No; developers would prefer to develop within access of municipal utility services. In some communities, land subdivision and development requires provision of municipal services; subdivision regulations act as a constraint on development.
 - For those who have developed outside of municipal water utility areas, have any developers or builders experienced problems with water, either the quality or quantity? No problems experienced; but several mentioned that there are indeed localized areas that are undevelopable due to probable issues involving water (and general soil conditions) and the development of private wells.

Quantitative Analysis: Key Findings

- Population and Segregation Patterns (Chapter 2 review)
 - Historic Trends since 1960 indicate that
 - Overall population growth throughout the region with the exception of Racine and Milwaukee – general outward trend to the suburbs
 - Minority populations (both racial and ethnic) in each of the “selected communities” have grown, most of the regional growth has been concentrated in (Milwaukee, Racine, and Kenosha)
 - Disabled populations have also increased over this time period and tend to be more concentrated in Milwaukee and Racine
 - CED developed population projections by race and ethnicity to the year 2035 based on recent population trends for each of the seven counties and the 14 “selected communities”
 - Racial, ethnic, and disabled populations will increase in numbers and proportions throughout the Region, and in each of the selected communities, but this is not linked to any of the recommendations
 - Kenosha and Waukesha will most likely see a new pattern of minority growth similar to that currently seen in Racine and Milwaukee

Quantitative Analysis: Key Findings

- Job Locations (Chapter 3 review)
 - Historic Trends since 1960 indicate that
 - Overall job growth throughout the region with the exception of Racine and Milwaukee – general outward trend to the suburbs
 - Jobs have remained stagnant or have declined in Racine and Milwaukee
 - CED evaluated job projections for the year 2035
 - Historic trends will continue, with the most significant job growth happening in the suburban communities
 - Job growth will occur in Racine and Milwaukee, but will not be nearly as great as in the suburbs
 - Projections were developed during the early 2000's. Although they reflect smaller recession between 2001 and 2003, they do not account for any possible shifts occurring now based on current Great Recession

Quantitative Analysis: Key Findings

- Low Income Populations (Chapter 4 review)
 - Historic Trends since 1960 indicate that
 - Median incomes have climbed in most of the selected communities but have remained stagnant in Kenosha and Waukesha, and have actually declined since 1960 in Racine and Milwaukee
 - The number and percentage of low-income households as well as households living at or below the poverty level have grown throughout the Region; the percentages peaked in 1990.
 - Year 2000 Statistics
 - About 10 percent of the regional population was at or below the poverty level, lower than the national average of 12.4 percent.
 - Low-income households and families living in poverty are concentrated primarily in Milwaukee County. Of the selected communities, poverty is most highly concentrated in the City Milwaukee (21.3%), followed by the cities of Racine (13.9%) and Kenosha (9.5%).
 - Poverty by race indicates that about 38 percent of the population living in poverty are white, 37 percent are black, 13 percent are Hispanic, and 12 percent are other races or two or more races; statistically, minorities (both racial and ethnic) are more likely to be living in poverty
 - There is a clear link between disability and poverty; approximately 25% of disabled population is at or below the poverty level.

Quantitative Analysis: Preliminary Assessment

- Preliminary Assessment: based on a review of PSC regulations and water rates, review of USGS groundwater analysis, historic trends and projections, and feedback from first set of Focus Groups
 - It is unlikely that a switch in source, from groundwater to Lake Michigan, will have any impact on future population or job growth patterns or have a negative fiscal impact on low-income households
 - Groundwater supply has not proven to be an obstacle to development
 - Although there are problem groundwater areas, USGS concluded that groundwater supplies can sustain future planned development
 - First round of focus groups: it is not the source of supply, but rather the presence of utility infrastructure that impacts development
 - Historic trends and projections point to continued growth in outlying communities regardless of source of water supply for both population and jobs

Quantitative Analysis: Preliminary Assessment

- Preliminary Assessment: based on a review of PSC regulations and water rates, review of USGS groundwater analysis, historic trends and projections, and feedback from first set of Focus Groups
 - Decisions made at the local level (particularly regarding housing and execution of local Smart Growth plans) will have the greatest impact on future population, job growth, and low-income household patterns, regardless of source of supply
 - Based on a review of Public Service Commission policy, the costs associated with utility expansion and water rate structures are developed to protect existing utility consumers. Utility customers pay for their own utility infrastructure and maintenance, and rate structures are designed to disperse costs across utility users. Purchasing communities would absorb costs of development.
 - For the selected communities, implementation of this recommendation requires the development of a water purchase agreement between provider and purchasing communities in which amounts for water provision are outlined and service areas are geographically delineated.

Quantitative Analysis: Preliminary Assessment

- Preliminary Assessment: based on a review of PSC regulations and water rates, review of USGS groundwater analysis, historic low income patterns, and feedback from first set of Focus Groups
 - For the newly proposed utilities:
 - It is unclear whether or not the development of a new utility could have an impact on job or population growth patterns
 - Developers stated a preference for developing within utility service areas, but...
 - For proposed new self-serving utilities, proposed utility areas are based on urbanized service area delineation – at or nearly at build-out conditions, and therefore unlikely to impact population or job growth
 - For proposed new utilities needing to purchase Lake Michigan Water; it is unlikely that implementation will have a significant impact on future job patterns. One of the areas is at build out condition (Elm Grove) while the other area (NW Caledonia area) is a very small planned area
 - It is possible that the development of a new utility could have a negative impact on low-income (and moderate income) homeowners based on the costs required to develop the infrastructure (impact fees)
 - Local level facilities planning will need to be sensitive to local low-income populations

Quantitative Analysis: Key Findings

- Housing and Land Use Patterns (currently evaluating)
 - Comparison of household occupancy based on household income in 2000 indicates that lower income households (both owner-occupied and rental) are concentrated in the City of Milwaukee, but also are in the Cities of Racine, Kenosha, and Waukesha
 - Comparison of household occupancy and tenure for 2000 indicates that owner-occupied units in most of the selected communities is between 55 and 65%, and rental unit occupation is between 35 and 45% for “selected communities”
 - Milwaukee has significantly fewer owner-occupied units (42%), while wealthier communities like Muskego, Brookfield, and Elm Grove have significantly higher owner-occupation rates (over 80%)
 - Land uses within the existing utility service areas for the selected communities are at or nearly at build-out conditions
 - Within the projected service areas, land available for development varies – some communities would continue to be at build-out conditions, while others have considerable lands to develop – evaluation is on a case by case basis

Quantitative Analysis: Key Findings

- Evaluating Land Uses
 - Identification of “developable” and “water serviceable” lands – unused urban or rural lands or agricultural lands - within the existing and projected service areas
 - Not all unused lands are developable, so
 - Not all developed or developable lands are appropriate for water utility service
 - Smart Growth planned land uses, where available
 - Completed evaluation of land uses within existing service areas for each of the 14 selected communities
 - Within each of these communities existing service area boundaries, there is very little existing room for development (less than 10%)
 - Currently evaluating land uses within projected service areas

Quantitative Analysis: Key Findings

- Existing Land Use Summary

Table 5-1: Summary of Developable Lands within the Existing 2000 Water Service Areas

Utility	Total Acres Within Utility Service Area	Total Developed Acres within the 2000 Service Area	Developable Lands within the 2000 Service Area	
			Acres	%
Kenosha Water Utility	13,201	11,599	1,183	9.0
Milwaukee Water Works	70,883	63,601	4,430	6.2
City of Oak Creek Water and Sewer Utility	7,506	5,862	1,236	16.5
City of Port Washington Water Utility	1,832	1,691	65	3.5
City of Racine Water and Wastewater Utility	13,341	12,129	727	5.4
City of Brookfield Municipal Water Utility	8,503	8,022	293	3.4
City of Cedarburg Light and Water Commission	2,072	1,917	87	4.2
Village of Germantown Water Utility	3,428	2,926	371	10.8
Village of Grafton Water and Wastewater Commission	2,033	1,866	91	4.5
City of Muskego Public Water Utility	1,721	1,478	152	8.8
City of New Berlin Water Utility	7,426	6,643	393	5.3
Village of Saukville Municipal Water Utility	859	726	88	10.2
City of Waukesha Water Utility	11,025	9,881	711	6.4

Quantitative Analysis: Preliminary Assessment

- Housing and Land Use Patterns (forthcoming)
 - Preliminary Assessment: based on CED's land use analysis, review of PSC regulations and water rates, review of USGS groundwater analysis, historic low income patterns, and feedback from Focus Groups
 - For the 14 selected utilities including those recommended to change supply source and potential provider communities
 - *There are, however, issues or concerns that could arise at the local level in some utility areas*
 - » Smart Growth Planning
 - » Water Purchase Agreements
 - » Intergovernmental Agreements
 - » CED is in the process of outlining these in relation to land use issues

Quantitative Analysis: Key Findings

- Environmental Justice (forthcoming)
 - Providing clarity on the concept of Environmental Justice
 - Has the development of this plan violated the principles of EJ?
 - This is unclear... at what level of involvement in the planning process?
 - » *Principle 7. Environmental justice demands the right to participate as equal partners at every level of decision-making including needs assessment, planning, implementation, enforcement and evaluation.*
 - Key problem is that other than specific laws regarding civil rights, the principles are still somewhat vague; most planning processes could be seen to be in violation of EJ principles
 - Compilation of recommendations
 - Will be looking at Federal guidelines (USEPA recommendations) to present to SEWRPCs EJTF for review
 - Lessons from New Orleans and Hurricane Katrina on planning

Thank you for participating

- Questions?
- Further information regarding the socio-economic impact analysis and comments can be made at <http://www4.uwm.edu/ced/sewrpc/index.cfm>
- Please contact Kate Madison directly at cmadison@uwm.edu or at (414) 229-6155