Economic and Financial Analysis of Complete Street Improvements

Appendix 2 Table Clarification and Overall Study Conclusion Caveats

Thank you for the opportunity to clarify the tables presented in Appendix 2, as there appears to be some confusion about how the estimates were calculated and should be interpreted.

The appendix presents two values for each year and case study:

- **Actual Study Area Property Values:** the total observed property values along the study area corridor.
- **Counterfactual Study Area Property Values:** the total property values that would have been expected if the study area had grown at the same rate as the comparison area.

The difference between these two values is shown in the column labeled **Complete Streets Property Value Impact** for each year. Property tax benefits are then calculated by applying the applicable tax rate to the annual impact estimate (shown in the **Property Tax Benefit** column).

A key point is that these annual impact estimates are not being summed to represent a single cumulative property value impact. They are aggregated only as part of the calculation of total property tax revenues over time, because property taxes are assessed and collected each year. This differs from a metric such as employment, where summing annual job impacts could double count the same jobs across multiple years.

For example, if a property's value increased in Year 1 and remained elevated in subsequent years, the property tax revenue generated in Year 1, Year 2, and Year 3 would each be real and distinct fiscal benefits, even though the initial increase occurred earlier. Accordingly, the analysis calculates annual tax impacts and then sums those annual tax revenues to estimate the total fiscal benefit since project implementation.

While the sum shown in the **Complete Streets Property Value Impacts** column of Appendix 2 (for example, approximately $982 million for North 30th Street) is technically the sum of annual impact estimates, presenting that figure without context is misleading. It represents the accumulation of annual differences over a 14-year period and serves only as an intermediate calculation step used to estimate tax revenues. These intermediate values are not highlighted anywhere in the report's findings or conclusions.

In short, the criticism appears to stem from interpreting an intermediate cumulative calculation as a standalone impact estimate. The analysis does not claim that the North 30th Street corridor experienced a $982 million increase in property value; rather, it uses annual differences in property values to estimate the annual property tax revenues generated over the 14-year study period, which is the primary purpose of the calculation.

Even the analysis' intended result, property tax impacts, are not specifically called out in the report findings since the report explicitly cautions readers against over-interpreting any single numerical estimate:

"the results of a difference-in-differences analysis are best interpreted collectively rather than in isolation. Individual numerical estimates may be sensitive to data limitations, external factors, and short-term variability. However, the strength of this analysis lies not in any single metric, but in the consistency of patterns observed across multiple indicators and locations."

Other criticisms, including the selected comparison area trends and the potential for selection bias in the corridors that receive Complete Streets investment, are consistent with the limitations laid out in the **Interpretation of Results** section of the report. The report documents these important limitations, including:

- **Comparison area limitations:** The true counterfactual, what would have happened in the study corridor without the Complete Streets investment, cannot be observed. Although comparison corridors were selected carefully, they may still have experienced unrelated changes that affect property values.
- **Selection bias in project locations:** Complete Streets projects are often implemented in areas already targeted for investment, revitalization, or future growth, making it difficult to fully separate project effects from pre-existing development trends.

For those reasons, the report does not emphasize specific dollar figures from the tax calculations. Instead, it presents the broader conclusion:

"As with other estimates in this report, these values are estimated based on several key assumptions and have associated limitations. However, taken all together, the direction and range of tax impacts can be drawn. In this case, it is clear that the case study areas outperformed the comparison areas in terms of property values, which has led to substantial increases in property tax revenues each year."