



# A Tool for Local Governments

# The OKI Region



# The OKI Region



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# Linking Planning and Budgeting

## Question:

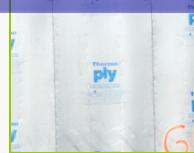
- “Is growth good or bad for the property tax base in my community?”

## Answer:

- “Why, yes!”



# Linking Planning and Budgeting



# Linking Planning and Budgeting

- Why is it important?
  - Provide adequate public facilities and services
  - Project revenues and expenditures associated with development
  - Make most efficient use of tax dollars
  - For crisis management - or to avoid crises



# What is fiscal impact analysis?

- Measures cash flow to the public sector
  - Are the revenues generated by new growth enough to cover the resulting services and facility demands?
- To analyze **effects of a specific development scenario** on a jurisdiction's bottom line
- To **compare alternative development scenarios**



*V.S.*





# Benefits of fiscal impact analysis

## Assists Decision Makers

- Provides clear link between land use decision making and local government budgeting
- These decisions have an impact on the need for capital investment and long term borrowing

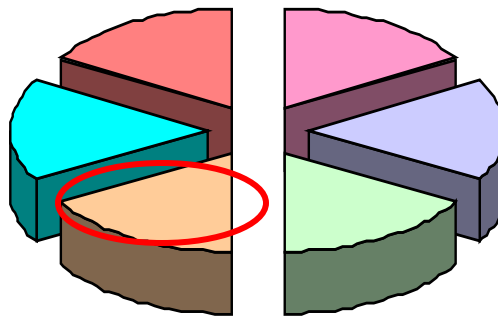


# Benefits of fiscal impact analysis

## Provides Transparency

- Reinforces or diminishes preconceived notions about potential development impacts
- Provides additional level of information in the decision making process

- Economic
- Fiscal
- Social
- Environmental
- Political
- Other



# Why OKI has a Fiscal Impact Tool

[www.howdowegrow.org](http://www.howdowegrow.org)



*“By 2008, OKI will provide a model for calculating the public costs associated with new development, for use throughout the region.”*

HOW do WE **GROW** From Here?  
Strategic Regional Policy Plan



# Developing OKI's FIAM

- Meetings with interested partners
  - Anticipated use
  - Level of knowledge
  - Concerns
  - Benefits



# Partners

## Initial Partners

- Anderson Township
- Boone County Fiscal Court
- Butler County Planning Com
- Campbell County Fiscal Court
- City of Cincinnati
- City of Hamilton
- City of Monroe
- City of Oxford
- Dearborn County Plan Com
- Northern Kentucky Area Planning Com.
- Metropolitan Sewer District

## Current Partners:

Metropolitan Sewer District

Deerfield Township

City of Cincinnati

Hamilton County

Dearborn County, IN

City of Independence, KY –  
NKAPC

Anderson Township

# Developing OKI's FIAM

- Goals
  - Compare alternative development scenarios and specific project-level development
  - Provide accurate and useful results
  - Be user friendly
  - Include locally-provided data
  - Adaptability in OKI region
  - Offer training and educational opportunities



# Issues and Challenges

- *The best model in the world will be useless unless it is easy and straightforward for the average professional planner/administrator to use*

# FIA vs FIAM

- FIA are custom design for a specific jurisdiction and specific project
- FIA can be expensive and time consuming, developing estimates from scratch each time.
- FIAM is a system to creating a more standardized FIA approach
- FIAM can be applied to a larger number of jurisdictions.
- FIAM is user friendly, less expensive



# Fiscal impact analysis methodology

- Methods:

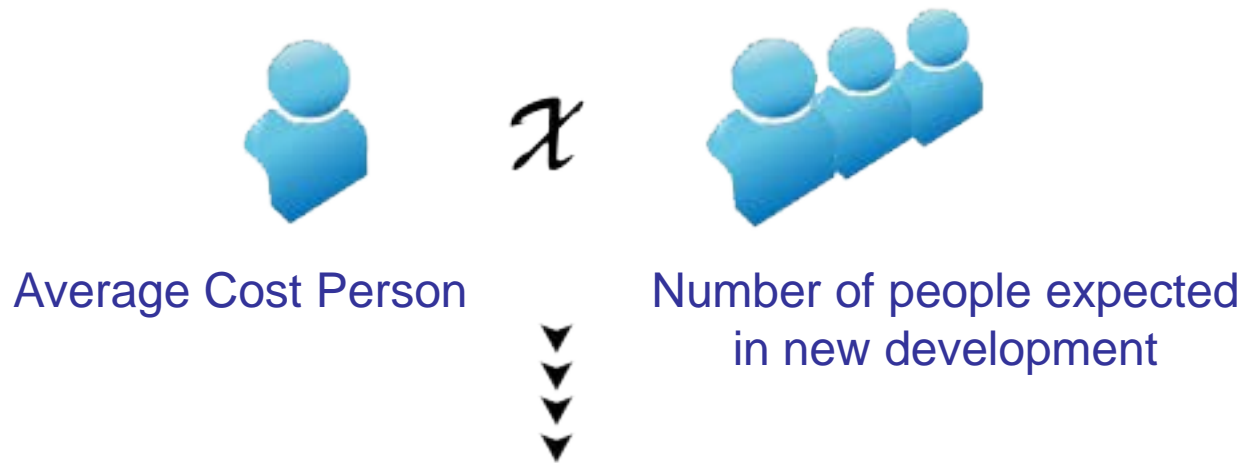
- Average costing or per capita multiplier method



- Marginal costing or case study method



# Modified Average Cost Method



## Our Modification

**Include Statistical Analysis  
that allow us to allocate cost by  
Land Use & Service Type**

# Customized Data

- Each City, Township or County has Unique Data Set
- Reflect Local Conditions
- More Accurate Results



# Estimated Costs & Revenues

## Based on Local Trend for Each Community:

- Land Use
- Market Value
- Units and Square Footage of Improvements
- Population Characteristics
- Employment
- Wages
- Commuting Patterns
- Traffic Volumes



# Costs & Revenues

## Broken Down By Land Use Type:

- Agricultural Uses
- 3 Residential land Uses
- 7 Retail/Office Categories
- 2 Industrial
- Government
- Religion
- Parks and Vacant Land



# Costs & Revenues

## Broken Down By Service Cost Type:

- Public Safety
- Infrastructure
- Parks & Recreation
- Public Health & Welfare
- Community Development
- General Government



# Use of the FIAM

*Informing Land Use*

*Decisions:*

*-Dearborn County*

*-Anderson Township*

# Dearborn County - Example

## Scenario

**11.53 Acre Property**

**Existing Use :**

- Agricultural

**Proposed Use:**

- Residential
- 19 Single family units
- Average market value:  
\$150,000/unit





# Dearborn County - Findings

| Estimated Annual Impact |                    |
|-------------------------|--------------------|
| Net Revenues            | \$74,322.66        |
| Net Expenditures        | \$18,787.33        |
| <b>Net Impact</b>       | <b>\$55,535.32</b> |

# Dearborn County - Findings

## Net Estimated Fiscal Revenues

|              | Property Tax | Income Tax | Sales Tax | Estate Tax | Charges for Services | Other Revenues | Total Fiscal Revenues |
|--------------|--------------|------------|-----------|------------|----------------------|----------------|-----------------------|
| Proposed     | \$51,784.50  | \$2,568.74 | \$0.00    | \$0.00     | \$2,447.26           | \$20,247.66    | \$77,048.16           |
| Existing     | \$2,725.50   | \$0.00     | \$0.00    | \$0.00     | \$0.00               | \$0.00         | \$2,725.50            |
| Net Revenues | \$49,059.00  | \$2,568.74 | \$0.00    | \$0.00     | \$2,447.26           | \$20,247.66    | \$74,322.66           |

## Net Estimated Fiscal Expenditures

|                 | Public Safety | Infrastructure | Public Health and Welfare | Community Development | Parks and Recreation | General Government | Total Fiscal Expenditures |
|-----------------|---------------|----------------|---------------------------|-----------------------|----------------------|--------------------|---------------------------|
| Proposed        | \$5,348.01    | \$3,082.19     | \$1,790.67                | \$66.60               | \$661.44             | \$7,852.49         | \$18,801.39               |
| Existing        | (\$60.95)     | (\$5.42)       | (\$14.04)                 | (\$0.27)              | \$10.00              | \$84.73            | \$14.06                   |
| Net Expenditure | \$5,408.96    | \$3,087.61     | \$1,804.71                | \$66.87               | \$651.44             | \$7,767.76         | \$18,787.33               |

# Anderson Towne Center



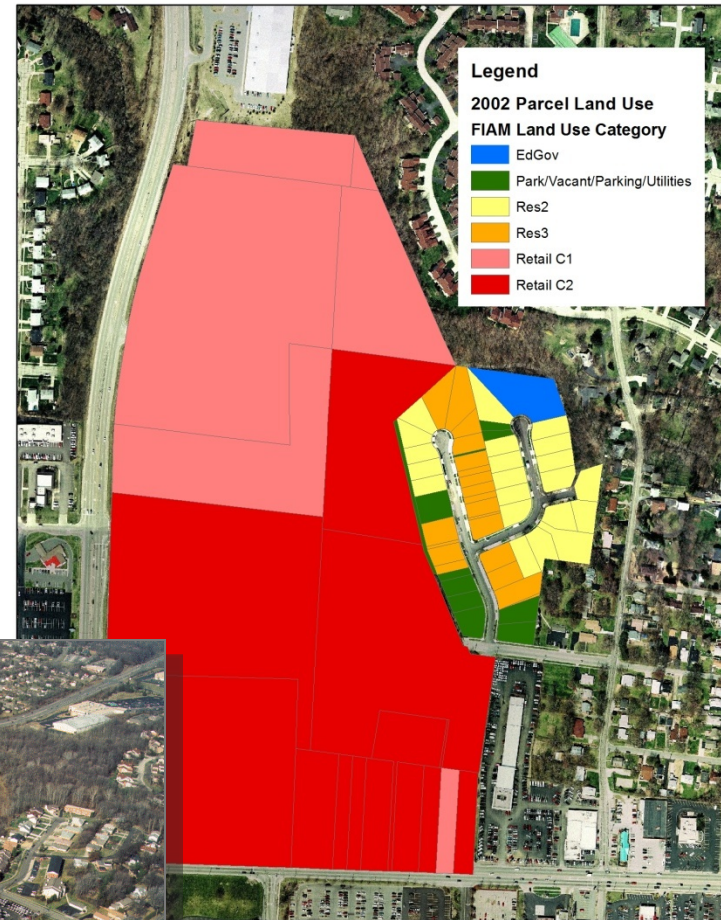
VS.



# Anderson Towne Center

## Existing Scenario:

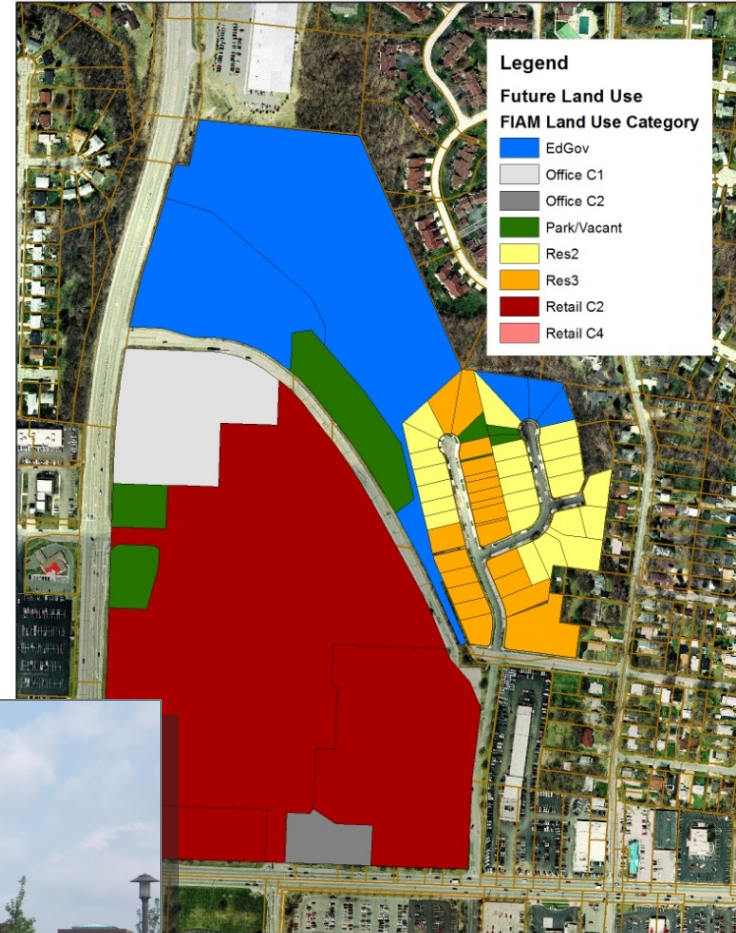
- 58,610 sf Neighborhood Retail
- 514,633 sf Community Shopping Center
- 19 Single family detached
- 42 Multi-family units
- 1 acre Education/Government
- 14 acres vacant land



# Anderson Towne Center

## Proposed scenario:

- 23 Single family detached
- 43 Multi-family units
- 398,934 sf Community Shopping Center
- 5,520 sf Sit-down Restaurants
- 38,509 sf Office
- 5,836 sf Consumer Oriented Office
- 39,300 sf Education/Government
- 5 acres Vacant land



# Anderson Towne Center - Findings

| Estimated Annual Impact |                     |
|-------------------------|---------------------|
| Net Revenues            | \$244,899.82        |
| Net Expenditures        | (\$43,891.94)       |
| <b>Net Impact</b>       | <b>\$288,791.76</b> |

# Anderson Towne Center - Findings

| Net Estimated Fiscal Revenues |              |            |           |            |                      |                |                       |
|-------------------------------|--------------|------------|-----------|------------|----------------------|----------------|-----------------------|
|                               | Property Tax | Income Tax | Sales Tax | Estate Tax | Charges for Services | Other Revenues | Total Fiscal Revenues |
| Proposed                      | \$332,778.79 | \$0.00     | \$0.00    | \$0.00     | \$2,949.46           | \$12,582.22    | \$348,310.47          |
| Existing                      | \$89,321.93  | \$0.00     | \$0.00    | \$0.00     | \$2,972.25           | \$11,116.46    | \$103,410.65          |
| Net Revenues                  | \$243,456.86 | \$0.00     | \$0.00    | \$0.00     | (\$22.80)            | \$1,465.76     | \$244,899.82          |

| Net Estimated Fiscal Expenditures |               |                |                           |                       |                      |                    |                           |
|-----------------------------------|---------------|----------------|---------------------------|-----------------------|----------------------|--------------------|---------------------------|
|                                   | Public Safety | Infrastructure | Public Health and Welfare | Community Development | Parks and Recreation | General Government | Total Fiscal Expenditures |
| Proposed                          | \$123,848.09  | \$31,502.52    | \$1,226.29                | \$0.00                | \$2,439.67           | \$64,574.90        | \$223,591.47              |
| Existing                          | \$166,735.64  | \$36,167.26    | \$1,568.33                | \$0.00                | \$2,210.02           | \$60,802.15        | \$267,483.40              |
| Net Expenditure                   | (\$42,887.55) | (\$4,664.74)   | (\$342.04)                | \$0.00                | \$229.64             | \$3,772.75         | (\$43,891.94)             |

# Findings

## Summary of Proposed Impacts by Land Use Category

|                                 | Proposed Revenues | Proposed Expenditures | Proposed Fiscal Benefit / Loss |
|---------------------------------|-------------------|-----------------------|--------------------------------|
| Single-Family Residential       | \$18,439.02       | \$22,768.32           | (\$4,329.30)                   |
| Multi-Family Residential        | \$11,247.60       | \$33,515.59           | (\$22,267.99)                  |
| Community Shopping Center       | \$192,001.09      | \$141,061.81          | \$50,939.28                    |
| Sit-down Restaurant             | \$8,466.67        | \$3,558.93            | \$4,907.74                     |
| Office                          | \$35,818.95       | \$7,738.28            | \$28,080.67                    |
| Consumer Oriented Office        | \$76,046.99       | (\$1,382.63)          | \$77,429.62                    |
| Education and Government        | \$48.54           | \$12,428.08           | (\$12,379.54)                  |
| Parks                           | \$5,437.82        | \$3,903.09            | \$1,534.73                     |
| Not Attributed to LU Categories | \$803.79          | \$0.00                | \$803.79                       |
| Total                           | \$348,310.47      | \$223,591.47          | \$124,719.00                   |



# Results Comparison Exercise

|                      | Net Revenues   | Net Expenditures | Total Fiscal Impact |
|----------------------|----------------|------------------|---------------------|
| Anderson Township    | \$244,899.82   | (\$43,891.94)    | \$288,791.76        |
| Boone County         | \$102,546.94   | (\$18,430.00)    | \$120,976.94        |
| Butler County        | (\$58,279.12)  | (\$208,442.45)   | \$150,163.33        |
| Campbell County      | \$105,386.34   | (\$35,530.03)    | \$140,916.38        |
| City of Cincinnati   | \$380,957.69   | (\$152,212.59)   | \$533,170.28        |
| City of Hamilton     | \$302,620.22   | (\$215,757.83)   | \$518,378.05        |
| City of Independence | \$122,081.75   | (\$33,546.99)    | \$155,628.75        |
| City of Monroe       | \$612,408.26   | (\$96,978.24)    | \$709,386.50        |
| City of Oxford       | \$150,422.71   | (\$78,036.49)    | \$228,459.20        |
| Dearborn County      | \$1,067,460.17 | (\$42,121.17)    | \$1,109,581.34      |

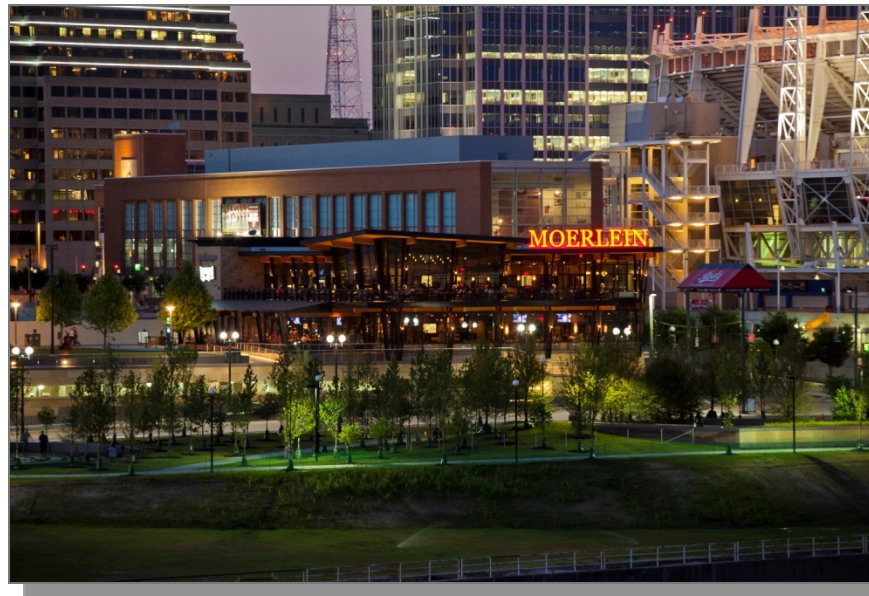
# Conclusion

Please visit our website at [www.oki.org](http://www.oki.org) and go to [fiam.oki.org](http://fiam.oki.org) to access information about the model.

- Information Sheet
- FAQs
- Methodology Report
- User Guide
- Example Staff Report

# OKI Program

- OKI Providing
  - Training and Education
  - Maintenance and Technical Assistance
  - Additional Participation



# Questions?

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