



A Framework for Growing Our Region's Economy

Regional Coordinated Planning and
New Growth Tax-Base Sharing



Regional Prosperity Initiative
Interim Report and
Recommendations



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A Framework for Growing Our Region's Economy

Regional Coordinated Planning and
New Growth Tax-Base Sharing



Mayor Bruce H. Akers
City of Pepper Pike



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May 2008 – September 2009



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Goals To Be Accomplished

- **Build Framework for Coordinated Land and Infrastructure Planning**
- **Develop New Growth Tax-Base Sharing recommendation**
- **Identify State Enabling Legislation, if necessary**
- **Gain feedback and input - Engagement & Mobilization**
- **Communicate – Public/Media Relations**
- **Raise Funds**



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Guiding Principles

- Comprehensive
- Sustainable
- Collaborative
- Equitable
- Non-Partisan
- Enhances Economic Growth

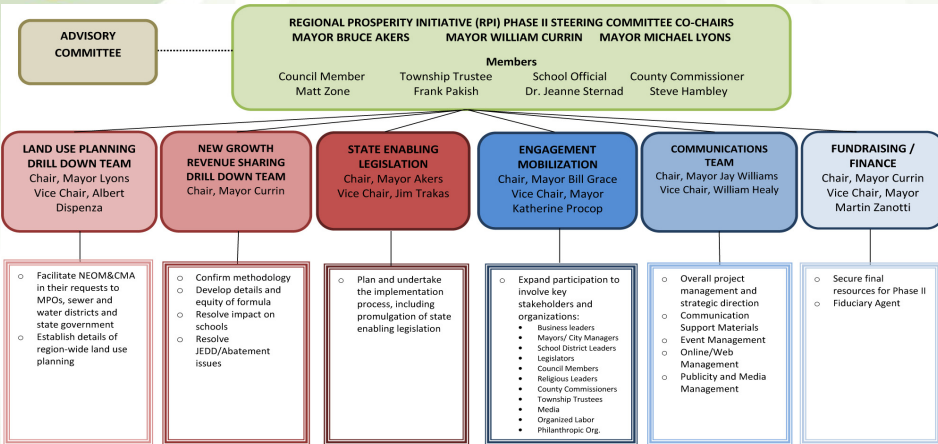


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RPI Leadership Team



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“First, We Listened”

Engagement & Mobilization

Leadership Convening Sessions:

- 6,683 leaders “touched”
- 650 + actively engaged (35% business leaders)



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“First, We Listened”

Engagement & Mobilization

Leadership Convening Sessions:

- **APRIL 28: ASHTABULA COUNTY**
 - Marta Stone, Stuart Cordell
- **MAY 1: LAKE & GEAUGA COUNTIES**
 - Dr. Morris Beverage, Jack Sherwin
- **MAY 13: STARK & CARROLL COUNTIES**
 - Dr. John O'Donnell
- **MAY 18: LORAIN COUNTY**
 - Dr. Roy Church, Senator Sue Morano, Brian Frederick
- **MAY 20: SUMMIT & PORTAGE COUNTIES**
 - Dr. Luis Proenza, Vivian Neal



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“First, We Listened”

Engagement & Mobilization

- **JUNE 3: CUYAHOGA COUNTY/TRI-C**
 - Mayor Bruce Akers, Cathy Lewis, Joe Roman
- **JUNE 9: MEDINA COUNTY**
 - Commissioner Steve Hambley, Jani Davis, Dan Sondles
- **JUNE 10: CUYAHOGA COUNTY/TRINITY CATHEDRAL**
 - Mayor Bruce Akers, Cathy Lewis, Joe Roman
- **JUNE 11: TRUMBULL, MAHONING & COLUMBIANA**
 - Gordon Wean, Roger Lindgren
- **JULY 6 : WAYNE & ASHLAND COUNTIES**
 - Lud Huck, Evan Scurti, Rod Crider

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“First, We Listened”

Engagement & Mobilization

Chamber and Community Presentations

- Greater Cleveland Partnership
- Mahoning Valley Regional Chamber of Commerce
- Team Lorain County
- Rittman Area Chamber of Commerce
- Greater Akron Chamber of Commerce
- Lakewood Chamber of Commerce
- Medina County Economic Development
- Wayne County Chamber of Commerce
- Canton Regional Chamber of Commerce
- Wooster Rotary



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“First, We Listened”

Engagement & Mobilization

- **MEETINGS** – LWV, Chambers, Growth Partnerships, Tax Auditors, County Engineers, Planners (OPA), Land Use Experts
- **FOCUS GROUPS**– School Superintendents/Treasurers, Township Trustees, County Commissioners, City Councils
- **STATE LEADERS** – Governor’s staff, Speaker Budish, Rep. Foley, State Senator Morano, Rep. Batchelder, Rep. Chandler, ODOD
- **PARTNERS** – FFEF, NEO City Council Association, NEO County Commissioners Association, Commission on Local Government Collaboration and Reform, Greater Ohio, Western Reserve Land Conservancy, Cuyahoga Valley Initiative



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“What We Heard”

Overall Initiative

- More organized than anticipated
- Regionalism & collaboration are alive!
- Must build support & leadership beyond elected officials
- Is 16 county region too large?

Revenue Sharing

- Good “concept”, but devil in the details
- Must be “fair and equitable”
- Fund distribution lacks clarity
- Impact on schools? Are Townships involved?

Land use planning

- “Long overdue”
- Reduction of sprawl, disparities, use of existing infrastructure
- How to deal with local zoning?



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“And, We Responded”

Communications – Media / Public Relations

- **PUBLIC RELATIONS** – Press relations, interviews and editorials through major and regional newspapers, trade magazines, regional online news sources, TV news programs, radio interviews
- **PBS 45/49** – One hour live panel-based program on RPI
- **WEB SITE** – www.neo-rpi.org
- **E-NEWSLETTERS** – Sent to approximately 1,000 subscribers
- **MONTHLY WEBINARS** – online updates open to public/media
- **VIDEO** – Captured national, state and local leaders on regionalism



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Interim Report – Accomplishments

*Mayor William A. Currin
City of Hudson*



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Accomplishments

Coordinated Land and Infrastructure Development

- **IDENTIFIED SYSTEMS** – Water, sewer, transportation, parks, energy and natural resources
- **ENGAGED KEY STAKEHOLDERS** – MPOs, water, sewer, utilities, planners, parks officials, utilities, environmental experts
- **IDENTIFIED OPPORTUNITIES** – Areas of collaboration and strategies

DEVELOPED COLLABORATIVE FRAMEWORK



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Accomplishments

New Growth Tax Base Sharing System

- **ANALYZED REGIONAL SYSTEMS** - Analysis of revenue-sharing models in other regions of the country
- **MODELED TAX BASE REVENUE SHARING VARIATIONS**
 - Modeled Property Tax, Income Tax and Sales Tax, including impact on school districts, townships, municipalities
 - Weighed feedback from Leadership Convening Sessions
 - Analyzed scenarios, projections, data sets, variables and formulas for tax base sharing and disbursement
 - Analyzed 10-year data for modeling; projections based on regional data and experience
 - Developed four scenarios for further analysis and deliberations



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Accomplishments

New Growth Tax Base Sharing System

- **CONSIDERED FOUR SCENARIOS**

SCENARIO 1	SCENARIO 2	SCENARIO 3	SCENARIO 4
C&I Property Tax, with School Districts			C&I Property Tax, with School Districts
City/Village/Township, Inside Millage	City/Village/Township, Inside Millage	City/Village/Township, Inside Millage	City/Village/Township, Inside Millage
City/Village Income Tax	City/Village Income Tax	City/Village Income Tax	City/Village Income Tax
		Proposed .25% increased sales tax	Proposed .25% increased sales tax



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State Enabling Legislation

- **ANALYZED STATUTORY AUTHORITY** - Determined legislative change would be based on specifics of tax-base sharing formula; Identify specific areas of statutes to be amended, if any
- **RAISED AWARENESS** – Initiated outreach to regional state legislators to raise awareness of RPI and possible need for state-enabling legislation
- **ENGAGED PARTNERS** – Greater Ohio, Ohio Commission on Local Government Reform and Collaboration, and Ohio Department of Development

TEAM ENGAGED AND READY TO MOVE



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RPI Recommendations

Land Use and Infrastructure Planning &
New Growth Tax-Base Sharing

Mayor Michael K. Lyons
Village of Richfield



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Coordinated Land Use and Infrastructure Planning

- **ESTABLISH COMMON VISION** – Our capacity to work in concert requires that we develop a common vision for our region.
- **FACILITATE REGIONAL COLLABORATION** – This process is the framework for collaborative coordinated planning.
- **ESTABLISH DIALOGUE WITH DIFFERENT SYSTEMS**
 - We became aware of other regional initiatives in NEO
 - Significant potential in gaining from a regional approach
 - We have **capacity** to bring substance to this process
 - Top Down – Bottom Up approach



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Coordinated Land Use and Infrastructure Planning

- **INCREASE OUR CAPACITY FOR COORDINATED ACTION** - Bringing systems together (MPOs, Water, Sewer, Energy, Transportation) and acting in concert produces knowledge and capacity to coordinate.
- **DO NOT ESTABLISH A NEW GOVERNMENT ENTITY** - Each system was identified, MPOs at first, and assigned to help define the framework for moving forward
 - Natural tendency to “go to” some existing organization, or form a new organization to move forward. NO!
- RPI is not aiming to formalize a structure, but the need to connect the **existing communities of systems for collaboration**, a voluntary effort of the leaders in our region.



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Coordinated Land Use and Infrastructure Planning

- 1) **Begin developing a regional land use database and scenarios of potential regional futures**
- 2) **Continue to broaden scope and coordinate with other initiatives to promote collaboration in Northeast Ohio**
- 3) **Provide guidance on regional planning priorities and the issues to be explored**



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RPI – New Growth Tax-Base Sharing

Key Findings and Recommendations

- **NOT A LOOK BACK** - Only *new growth* going forward!
- **INITIAL IMPLEMENTATION: 12 COUNTIES**, with trigger mechanism to include 4 additional counties of NEO
- **NEW GROWTH TAX-BASE TO BE SHARED:**
 - **Commercial & Industrial (C&I) Property Taxes**
 - 60% retained/ 40% pooled
 - **Income Tax**
 - 80% retained/ 20% pooled
 - Projected average tax capacity base year: 2010
 - “New growth” of tax-base discounted for inflation (CPI)
 - Distribution based on relative tax capacity and population
 - No new taxes proposed



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RPI – New Growth Tax-Base Sharing

Modeling Scenarios

City of “Growthville” (population 43,000)

This is a suburban community, ideally located for business growth and attraction. Businesses have located here from outside the region, but also some movement from inner-ring suburbs of the larger cities. Growthville is a vibrant suburb, poised for continued growth.

\$ 469 m Market value of C&I real estate tax-base (base year)
\$ 373 m Growth in tax-base value over 10 years (inflation adjusted)
-\$ 149 m 40% Contribution to pool
+\$ 26 m Receipt from pool based on total tax-base and population

-\$123 m Net tax-base contribution to pool (10th year) =
33.0 % of Growthville’s C&I growth
12.8 % of Growthville’s total C&I value
2.9 % of Growthville’s total real estate tax base



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RPI – New Growth Tax-Base Sharing *Modeling Scenarios*

City of “Establishedville” (population 28,000)

This modest suburban community has a large residential population, with modest growth of business and commercial activity. Closer to the core urban area, Establishedville is not likely to see expanded commercial and industrial growth over the next 10 years.

\$ 182 m Market value of C&I real estate tax-base (base year)
\$ 62 m Growth in tax-base value over 10 years (inflation adjusted)
-\$ 25 m 40% Contribution to pool
+\$ 45 m Receipt from pool based on total tax base and population

\$20 m Net tax-base received from pool (10th year) =
33.0 % of Establishedville’s C&I growth
7.0% of Establishedville’s total C&I value
2.0% of Establishedville’s total real estate tax base



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RPI – New Growth Tax-Base Sharing *Modeling Scenarios*

“Heartland Township” (population 9,000)

Heartland Township boasts of solid agricultural assets and does not actively seek to develop its rich farmland. Residents of Heartland enjoy the quiet, rural nature of their community, but also recognize the need for businesses to offset residential property taxes for schools and services. Heartland’s C&I tax-base is not substantial, and will grow very little over the next 10 years.

\$ 32 m Market value of C&I real estate tax-base (base year)
\$ 7 m Growth in tax-base value over 10 years (inflation adjusted)
-\$ 3 m 40% Contribution to pool
+\$13 m Receipt from pool based on total tax-base and population

\$10 m Net tax-base received from pool (10th year) =
143.0 % of Heartland Township’s C&I growth
22.0% of Heartland Township’s total C&I value
3.0% of Heartland Township’s total real estate tax-base



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Next Steps

Moving Forward Toward Implementation

Mayor William A. Currin



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Next Steps

Moving to Implementation

- **Today, update NEOM&CMA**
- **Engage all sectors** – Continued outreach
- **Communicate** – On-going engagement and mobilization of key stakeholders and regional leaders
- **Refine specifics** – Input from key stakeholders
- **State Legislation** – Draft as necessary
- **Implement** – Beginning of 2010
 - 1st Qtr, 2010 – Continued Engagement & Mobilization
 - 1st Qtr, 2010 – Coordinated framework implementation
 - 1st Qtr, 2010 – State enabling legislation pursued, if necessary
 - 2nd Qtr, 2010 – Average Tax Capacity determined for “base” year



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Discussion Input and Questions



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