



Background of OKI's Fiscal Impact Analysis Model

The Ohio-Kentucky-Indiana Regional Council of Governments (OKI) has developed a Fiscal Impact Analysis Model to give decision makers a better understanding of the budgetary implications of land use proposals. The need for a fiscal impact analysis tool was identified as part of OKI's Strategic Regional Policy Plan, adopted in 2005.

Federal transportation investments stimulate land use change and economic development. The Model will help local governments to capitalize on the potential land use changes related to these transportation investments by analyzing the impact of alternative land use scenarios on their jurisdiction's budget. As communities better understand the associated costs and revenues of development through fiscal impact analyses, they will be better able to plan for investments to serve new development or to fix existing deficiencies. This can impact the regional transportation funding process and make more efficient use of tax dollars at the local and federal levels.

Uses of the Model

The Fiscal Impact Analysis Model is an educational tool. Information generated from the Model will help local governments better understand the revenues and costs associated with new development and the jurisdiction's ability to provide public facilities and services.

The Fiscal Impact Analysis Model estimates the costs and revenues associated with land use change. It can compare alternative development scenarios within a jurisdiction and analyze effects of specific development projects.

The results of the Model are an estimate of potential future expenditures and revenues. Actual results may differ significantly based on the specific development and site characteristics. It's important to note that information from the Fiscal Impact Analysis Model should not be the sole source for making land use decisions. Model results provide information on only one aspect (the fiscal aspect) of the land use decision making process. Land use decisions are complex and should involve consideration of multiple factors including environmental, social, political, economic, and many others, in addition to fiscal.

Model Data and Analysis

The Model uses local, regional and national data sources to estimate revenue and the demand for broad categories of services that are likely to result from the proposed development or redevelopment. The Model bases revenue and cost estimates on the statistical relationship between types of land uses and the intensity of their revenue and cost generating factors.

Data provided by OKI is used for many of the Model calibrations; however specific local data on land use, market value, tax rates and financial data are necessary to produce results. This local data is critical to the Model's ability to develop reasonable estimates.

The Model has been created in both Microsoft Excel and as a web application.

Interested in using the Model?

The Fiscal Impact Analysis Model is intended for use by communities in the Ohio-Kentucky-Indiana Regional Council of Governments (OKI) region. Use of the Model is currently available to OKI jurisdictions that have provided their data to the Model. For more information on partnering with OKI to use the Fiscal Impact Analysis Model, please contact **Larisa Sims, Regional Planning Manager, at lsims@oki.org or 513-621-6300.**