SUPPORT A MODEL OF DEVELOPMENT THAT ALLOWS AMERICA'S CITIES, TOWNS AND NEIGHBORHOODS TO BECOME FINANCIALLY STRONG AND RESILIENT
Investment in the community….

Powerful Incentives

• Initial cost to the public for new growth: minimal
• Benefit to the public budget for new growth: substantial

The catch is that the public agrees to maintain the improvement forever.
The critical assumptions to this strategy:

1. Either growth continues at ever accelerating rates, or
2. The pattern of development ultimately generates more revenue than it costs to maintain.
**Road Improvement Project**

- $6,600 cost per property
- 50% of costs assessed
- 37 years to recoup public contribution from adjoining tax base
Road Maintenance Project

- $354,000 total cost
- 79 years to recoup public expense from tax base
- To break even requires a 46% increase in property tax rates

Local Road Rehabilitation
Industrial Park Development

- $2.1 million inflation-adjusted total cost
- $6.6 million in improvements induced
- Payback from current conditions happens in 29 years if all revenue devoted only to debt
Growth Ponzi Scheme
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Serious implications for the future

- The “Mechanisms of Growth” we have become accustomed to are waning.
- Local governments are going to be forced to absorb the local costs of the current development pattern.
- This can’t be done in the current pattern of development without large tax increases and/or large cuts in services.

Implications
What’s the solution?
West Front Street, Brainerd, Minn.
Build it and they will come....
Build it and they will come....
$1,136,500

$803,200
$1,136,500
$1,104,500
$803,200
$1,136,500
$1,104,500
-3%

$618,500
$803,200
-23%
High Return Investments

Auto Oriented $0.6 million/acre

Traditional Pattern $1.1 million/acre
Buffalo 3-D Model
Connecting Urban Design to Economics
Buffalo 3-D Model
Connecting Urban Design to Economics
Williamsville 3-D Model
Connecting Urban Design to Economics
Kmart
$384,849/acre

Walmart
$967,552/acre
String & Splinter Club
$5,028,450/acre

203 N. Main St.
$3,452,560/acre