

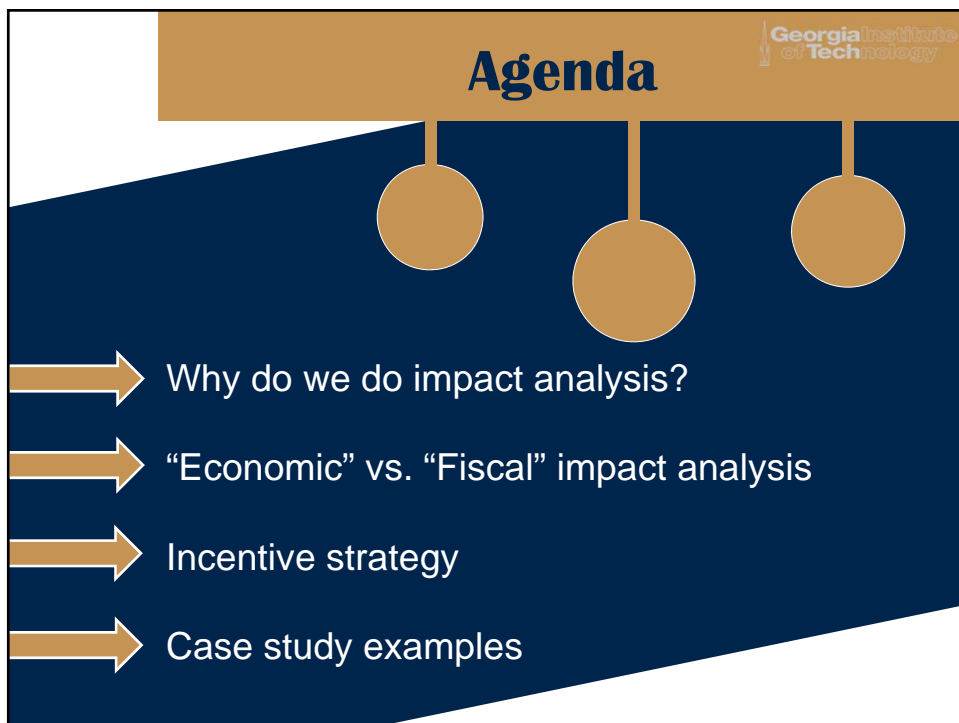



**Basic Economic
Development Course**

**Measuring the Impact
of Development**

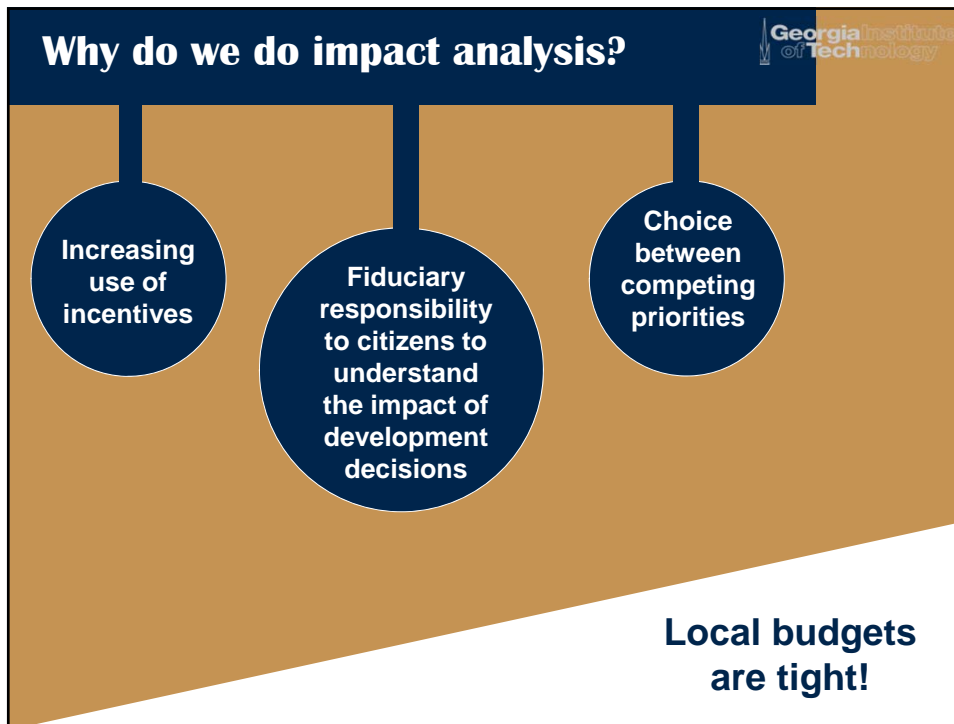
Dr. Alfie Meek
Director
Innovation Strategy & Impact
Economic Development Institute

**Georgia Institute
of Technology**

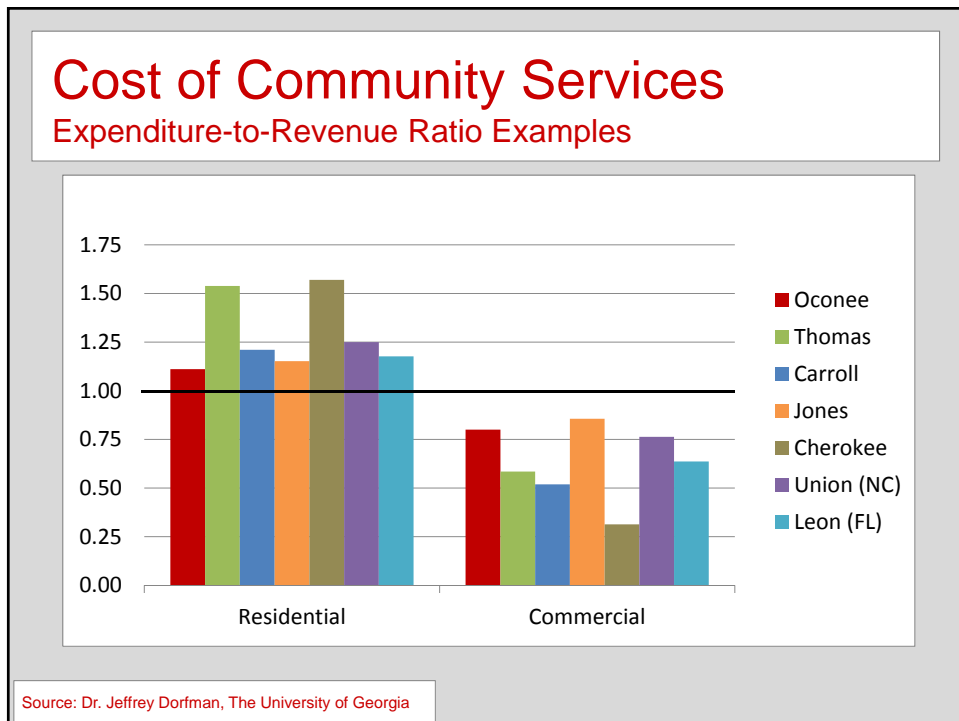
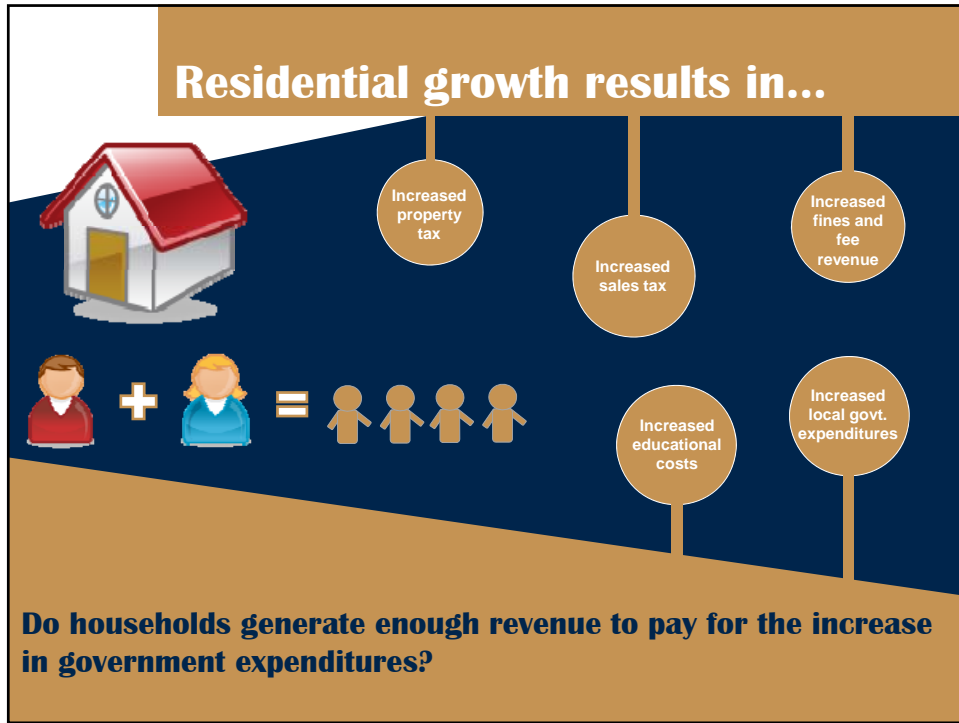


Agenda 

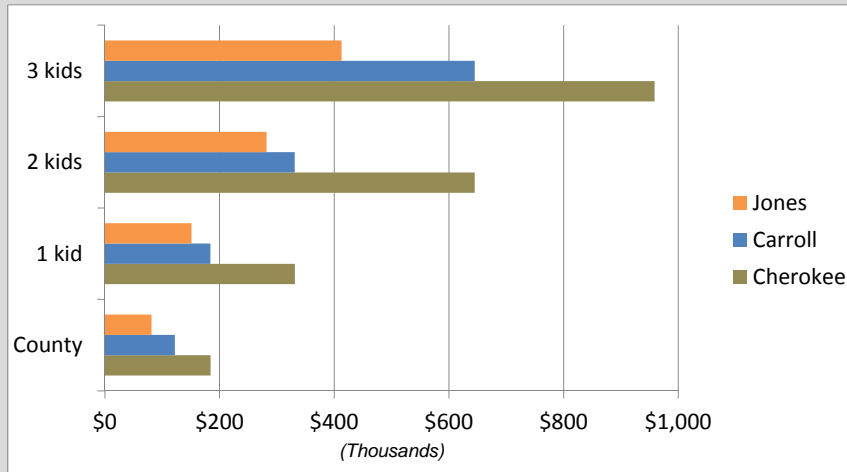
- Why do we do impact analysis?
- “Economic” vs. “Fiscal” impact analysis
- Incentive strategy
- Case study examples



<p>Myth:</p> <p>Growth and development mean an increasing tax base and better financial health for the local government.</p>	<p>Fact:</p> <p>A growing tax base isn't enough to guarantee financial health. Revenue must grow faster than expenditures.</p>
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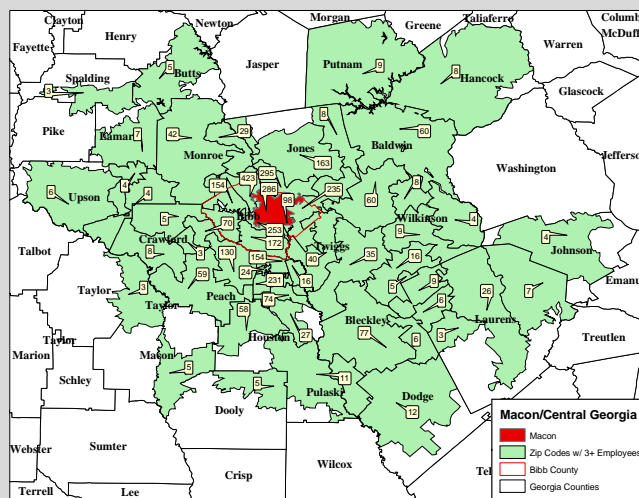


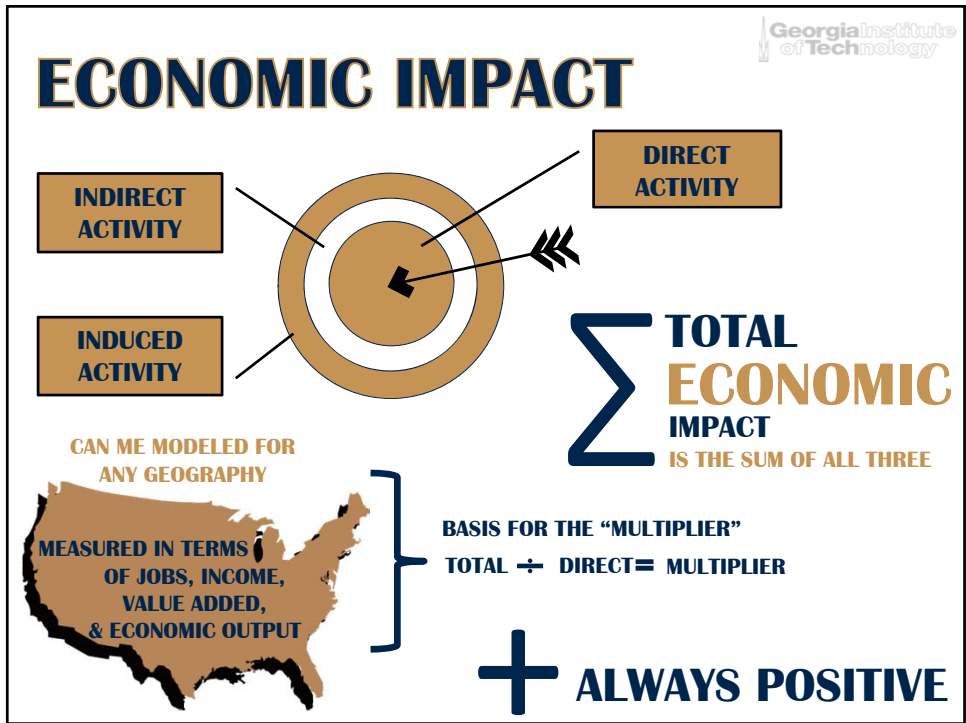
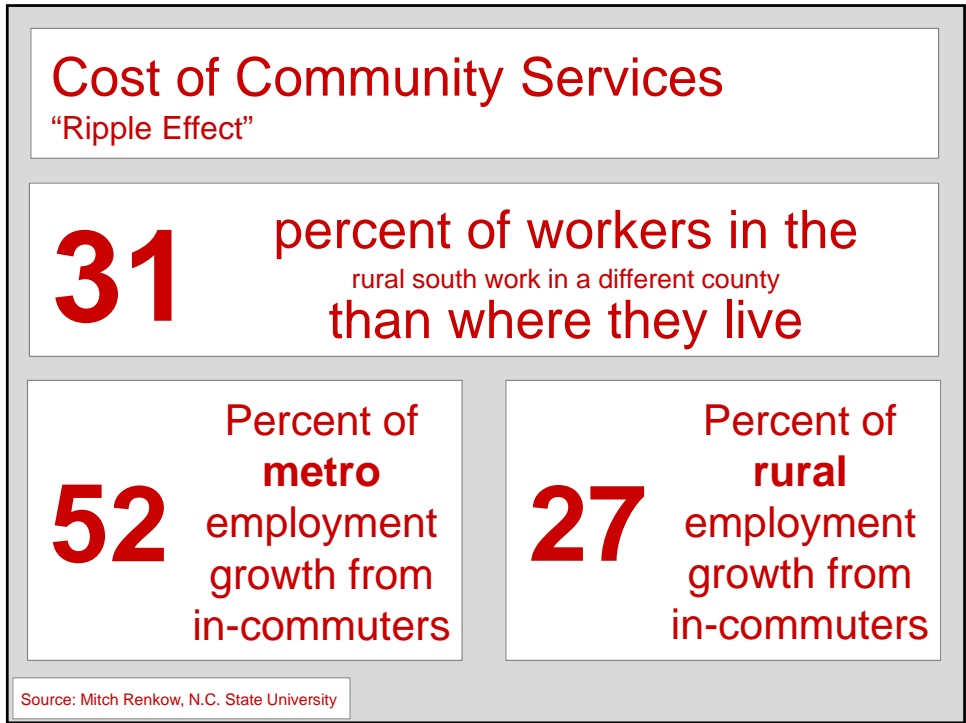
Cost of Community Services Break-Even Home Value Examples



Source: Dr. Jeffrey Dorfman, The University of Georgia

Cost of Community Services "Ripple Effect"






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FISCAL IMPACT

EXPENSE


EDUCATION
PUBLIC SAFETY
INCENTIVES, ETC.



REVENUE

PROPERTY TAX
SALES TAX
FEES, ETC.

BASED ON SPECIFIC CHARACTERISTICS OF YOUR COMMUNITY:



LAND USE, TAX STRUCTURE, COMMUTING PATTERNS, SERVICE DELIVERY, ETC.

± CAN BE POSITIVE OR NEGATIVE!

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SUMMARY...

ECONOMIC IMPACT IS ABOUT JOBS AND INCOME AND IS ALWAYS POSITIVE

FISCAL IMPACT IS ABOUT GOVERNMENT FINANCES AND CAN BE POSITIVE OR NEGATIVE

QUESTION...

ARE NEW JOBS ALWAYS A GOOD THING?

- HIGH WAGE OR LOW WAGE?
- NEW HOUSEHOLDS OR PULL FROM EXISTING?
- WHERE ARE THE HOUSEHOLDS LOCATED?
- WHAT SERVICES WILL BE PROVIDED?
- WHO GETS THE PROPERTY TAX?
- COST OF INCENTIVES?



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Industrial jobs

Jobs or Investment

"Bonds for Title"

"PILOT" Payments

WHAT ARE "ABATEMENTS" IN GEORGIA

Type of incentive often used to attract new capital investment or jobs.

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INCENTIVE STRATEGY

HAVE ONE!

Put your strategy in place **BEFORE** a project comes looking at your community.

Standardize your policy with your Board of Assessors so you don't have to go back with each project.

ONE SIZE DOES NOT FIT ALL

Your strategy needs to fit your community goals

Every company has different needs....ASK!!

WHAT CAN YOU AFFORD?

Understand the fiscal impact of your offer.

Don't get pulled into paying too much.

SPECIFIC GOALS

- #1
- #2
- #3
- #4

What does your community want to be?

Do you have target industries?

Do you have targeted geographic areas?

