





Income tax revenues, the City's most significant revenue source, increased by approximately 10.8 percent on a cash basis in 2006. General operations are funded by 75 percent of the income taxes collected, with the remaining 25 percent being used for capital improvements. Since 1990, the average annual rate of growth in income tax revenues has been approximately 12 percent. These continued increases in income tax revenue are the result of continued growth and expansion of existing Dublin businesses and the relocation of new businesses to the City.

Charges for services reflect the fees levied for various services and activities provided by the City. Most of these fees are generated from recreational programming (such as user fees from the Dublin Community Recreation Center) and capacity charges from the public water and sewer systems. Fees for these services are based on the actual cost to provide the service and are updated annually.

Service payments are payments in lieu of property taxes received from Tax Increment Financing (TIF) Districts. Dublin has successfully used this financing technique to generate

funding for public infrastructure improvements necessary to provide access to undeveloped sites or to improve existing infrastructure to accommodate new development. Service payments are generated from the new private improvements within a TIF district and are calculated the same as property taxes. To date, 28 TIF districts have been established, resulting in approximately \$558 million in commercial building activity and \$70 million in public infrastructure improvements. In 2006, Dublin received approximately \$4.5 million in service payments to reimburse the City for public infrastructure improvements. Map 7.1 illustrates Dublin's TIF districts.

Intergovernmental revenue includes the City's share of state sales tax, income tax, corporate franchise tax, public utility tax, estate tax, motor vehicle license tax and grants for capital projects.

## B. Expenditures

Table 7.3 shows expenditures for the City. Total expenditures in 2006 totaled \$99 million. The excess of expenditures over revenues was the result of spending for planned capital infrastructure

**Table 7.1 City of Dublin Revenues, 2006**

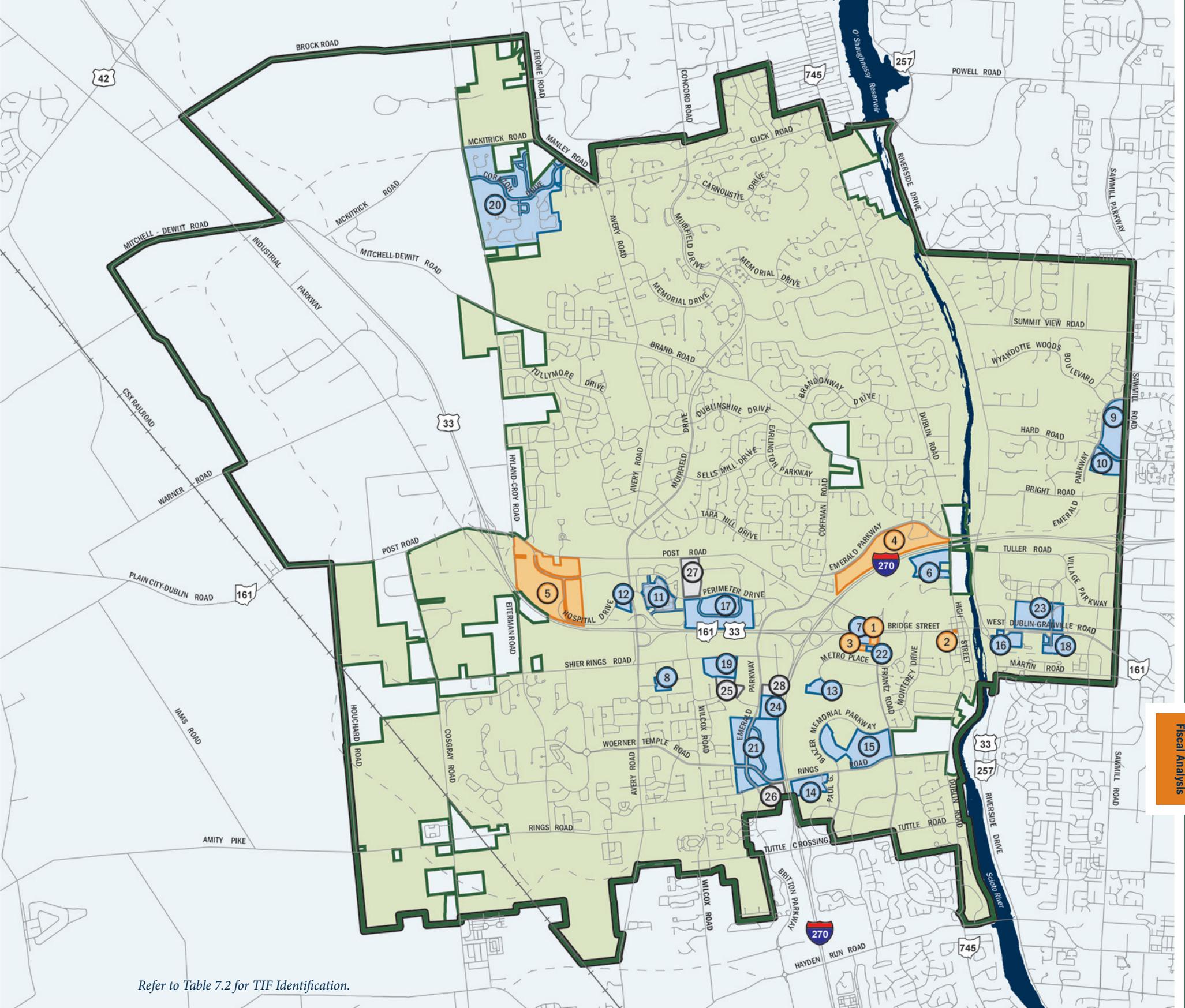
Revenue Type	Amount (millions)	Percent
Income Taxes	64.22	66.75%
Property Taxes	3.45	3.59%
Service Payments	4.50	4.68%
Hotel/Motel Taxes	1.73	1.80%
Intergovernmental Revenues	3.77	3.92%
Special Assessments	0.27	0.28%
Local, State and Federal Grants	0.70	0.73%
Charges for Services	10.22	10.62%
Licenses, Fines and Permits	3.55	3.69%
Interest Income	3.10	3.22%
Miscellaneous	0.70	0.72%
<b>Total</b>	<b>96.21</b>	<b>100.00%</b>

\*Source: 2006 Comprehensive Annual Financial Report

**Table 7.2 TIF Districts**

- 1 Cooker Restaurants
- 2 Historic Dublin Parking
- 3 Lee's Inn
- 4 McKitrick
- 5 Perimeter West
- 6 Cardinal Health South Campus
- 7 Embassy Suites
- 8 Irelan Place Parcel
- 9 Kroger Centre
- 10 Lifetime Fitness
- 11 Perimeter Center
- 12 Perimeter Loop
- 13 Pizzuti (One Metro Place South)
- 14 Rings Road
- 15 Rings/Frantz Campus
- 16 River Ridge
- 17 Ruscilli
- 18 Shamrock Crossing
- 19 Shier Rings Road
- 20 Tartan West
- 21 Thomas/Kohler
- 22 Upper Metro Place
- 23 Wendy's Parcel
- 24 Woerner Temple
- 25 Applied Technology
- 26 Duke Realty Investment
- 27 Metatec
- 28 Safety Solutions

Refer to Map 7.1 for locations



Refer to Table 7.2 for TIF Identification.

- Planning Area
- City of Dublin
- Straight TIF
- Non-School TIF
- Expired TIF



Map 7.1 TIF Districts

improvements. Capital outlays represented 33.2 percent of total City expenditures from governmental funds in 2006. General operations accounted for 32.7 percent of total governmental fund expenditures. General operations include administration, finance, legal services, legislative activities, maintenance of facilities and maintenance of vehicles and equipment. Debt service was the next highest government expenditure in 2006 at 9.6 percent, followed by police and recreation programs at nine percent and 7.4 percent, respectively.

### C. Financial Report

Over the past decade, Dublin's capital infrastructure expenditures have been the most significant use of its resources. Dublin is a continually developing community, and that is a primary reason for the significant outlay of capital expenditures. Also, because Dublin has available financial resources, it has the ability to make the expenditures necessary to keep pace with the City's growth and development. Dublin spends more on capital expenditures per capita than most Ohio municipalities of similar size. In 2006,

the governmental capital expenditures per capita were approximately \$1,127.

Dublin's investment in its capital infrastructure is planned and programmed through the City's Five-Year Capital Improvements Program (CIP). The CIP also defines the financial guidelines that provide assurance the City can meet, in a full and timely manner, both the capital and operating obligations competing for the available resources. The City revises and adopts the five-year program annually. The 2007-2011 CIP reflects programming for \$147.3 million in public improvements, including transportation, facilities, parks, recreation and utilities projects.

A key financial guideline in the CIP is the use of annual excess revenue growth, specifically income tax revenue, to fund capital infrastructure. Since adopting the first CIP in 1991, Dublin has invested the excess (or unprogrammed) revenue in capital infrastructure to the extent that revenue growth, and specifically income tax revenue, exceeds projections in any given year. Even with excess revenues being invested in capital infrastructure, the General Fund balance since 2000 has exceeded 50 percent of the General

Fund expenditures each year. This level of reserves can be used to offset short-term deficits that may occur and to provide the necessary funding for unanticipated needs or opportunities.

## II. PROJECTIONS AND FISCAL IMPACT ANALYSIS

TischlerBise, Inc. was contracted by the City of Dublin to conduct a fiscal impact analysis evaluating the overall aggregate impacts of land use scenarios projected to the year 2030, as described in *Chapter 3 – Land Use*. The analysis summarized the fiscal impacts of future population and employment growth within the City of Dublin and in potential annexation areas, primarily to the northwest. All results are those accruing from new growth only, and do not include costs and revenues from the existing population and employment base of the City. This fiscal impact analysis was used to determine whether revenues generated by new growth would be sufficient to cover the costs to the City generated by that growth. The scenarios were developed by McBride Dale Clarion (MDC), ACP Visioning+Planning, Ltd. (ACP), and

**Table 7.3 City of Dublin Expenditures, 2006**

Expenditure Type	Amount (millions)	Percent
Capital Outlay	32.92	33.25%
General Operations	32.41	32.74%
Police	8.9	9.00%
Debt Service	9.54	9.64%
Recreation	7.34	7.42%
Transportation	3.25	3.29%
Special Events	2.74	2.77%
Basic Utilities	1.68	1.70%
Miscellaneous	0.19	0.02%
<b>Total</b>	<b>\$99.01</b>	<b>100%</b>

\*Source: 2006 Comprehensive Annual Financial Report

the City of Dublin Land Use and Long Range Planning Department along with the transportation plan developed by Burgess & Niple (B&N) and the City of Dublin Engineering Department.

It should be noted that while a fiscal impact analysis is an important consideration in planning decisions, it is only one of several issues which should be considered. Non-fiscal issues such as the environment, housing affordability, jobs/housing balance, traffic and quality of life must also be considered. The above notwithstanding, this analysis will enable interested parties to understand the fiscal implications of future development.

## A. Input Data

The fiscal impact analysis utilized three types of input data. The first category of demographic and economic projections is called Demand Base data inputs. These numerical projections included data such as population, housing units, employment, and commercial and industrial space.

The second category of input data focuses on property taxes. Market

values of residential and non-residential property in the City of Dublin, expressed in constant current dollars, were multiplied by the current tax rate and assessment rate to calculate property tax revenues for new development (for both operating and capital facility purposes). The market values were provided by the City based on new residential and non-residential development.

The third type of input data relates to government service levels, costs and revenues. The government service level cost and revenue data used in the fiscal analysis were determined and agreed upon by TischlerBise and the City. This data was used to calculate the annual costs, revenues and capital facilities by department or function, where appropriate.

## B. Methods and Assumptions

A fiscal impact analysis determines whether revenues generated by new growth are sufficient to cover the resulting costs for service and facility demands placed on the City as a result of that growth. The fiscal impact analysis conducted by TischlerBise incorporated the case study-marginal cost approach wherever possible. The case study-marginal methodology is the most realistic method for evaluating fiscal impacts as it takes site or geographic specific information into consideration. Therefore, any unique demographic or locational characteristics of new development are accounted for, as well as the extent to which a particular infrastructure or service operates

under, over or near capacity. Therefore, available facility capacity determines the need for additional capital facilities and associated operating costs. Many of the administrative/general government costs that are impacted by general growth in the City, regardless of location, are projected using a marginal/average cost hybrid methodology that attempts to determine capacity and thresholds for staffing but projects non-salary operating costs using an average cost approach.

As a first step in the analysis, TischlerBise evaluated levels of service and determined cost and revenue assumptions. These assumptions were based on on-site interviews and discussions with department heads, their representatives, and other related personnel in addition to a detailed analysis of the City's adopted FY2007 Budget. The revenue and cost projections are based on the assumption that in most cases the current level of spending, as provided in the FY2007 budget, will continue over time.

The FY2007 budget was used to represent a "snapshot" of the City's current costs and revenues and levels of service. Population estimates in addition to the current number of dwelling units and employment levels, were used to calculate unit costs and service level thresholds. The "snapshot" approach did not attempt to speculate about how services, costs, revenues and other factors will change over the 23-year analysis period. Instead, it evaluated the fiscal impact of the City as it is currently conducting business under the present budget. The following major assumptions regarding the fiscal methodology are described as follows:

### *Marginal, Growth Related Costs and Revenues*

For this analysis, costs and revenues that were directly attributable to new development were included. Some costs and revenues are not expected to be impacted by demographic changes, and were considered as fixed costs and revenues in this analysis. To determine fixed costs and revenues, TischlerBise reviewed the FY2007 budget and all available supporting documentation. Funds evaluated as part of this analysis include the City's tax supported funds. Based on this review, preliminary assumptions were developed that were reviewed and discussed with appropriate City department representatives. In some cases, a determination was made based on TischlerBise's national experience conducting public sector fiscal impact analyses.

### *Level of Service*

The current level of spending was referred to as the current level of service and was used to calculate the fiscal impact to the City for the 23-year period between 2007 and 2030.

Current demand base data was used to calculate unit costs and service level thresholds. Examples of demand base data include population, dwelling units, employment by type, vehicle trips, etc. Current 2007 dollars were used throughout. Certain special revenue funds such as the Cemetery Fund were not included in the analysis because revenues generated from such fund were assumed to be fixed and unrelated to growth. Enterprise Funds (i.e. utilities, sewer and water, etc.) were not modeled because the intent of the fiscal analysis was to include only tax supported funds. Also, infrastructure such as water and sewer were not included because these items had separate rate structures created by the utility companies, which are updated annually.

### *Revenue Structure and Tax Rates*

Revenues were projected assuming that the current revenue structure and tax rates, as defined by the FY2007 budget, would not change during the analysis period.

### *Inflation Rate*

The rate of inflation was assumed to be zero throughout the projection period, and cost and revenue projections were in constant 2007 dollars. This assumption was in accordance with current budget data and avoided the difficulty of speculation about inflation rates and its effect on cost and revenue categories. It also avoided the problem of interpreting results expressed in inflated dollars over an extended period of time. It is important to note that the actual fiscal impact model being implemented for the City does have the capability of incorporating inflation in the analyses.

**Development in accordance with the Community Plan will provide a more fiscally viable alternative for Dublin as the City approaches build-out.**



*Although costs, revenues, and levels of service for public schools within Dublin will be affected by future development within the City, local school systems are not controlled by Dublin City government. Currently, Dublin is served by both the Dublin and Hilliard City School Districts. Portions of the planning area also fall within the Jonathan Alder Local School District. Each public school district has its own budget separate from the City, and was not evaluated as part of this fiscal analysis. Local school districts have conducted their own enrollment projections based on development trends observed for Dublin and the surrounding area. Because projected population increases are similar under both the Mid-Range and Trend Scenarios, school capacity is not expected to be adversely impacted; a general balance between residential and commercial uses is provided in both scenarios for each district.*

## C. Land Use Scenarios and Fiscal Analysis Zones

Two of the three land use scenarios described in *Chapter 3 – Land Use* were evaluated in the fiscal analysis. Based on policy direction, adopted land use principles, relative traffic impacts, expected employment demand and public input, the Mid-Range Scenario was chosen for analysis alongside the Trend Scenario. The results indicated that development according to the Mid-Range Scenario, which emphasizes employment growth and a balanced mix of commercial and residential uses, will provide a more fiscally viable alternative for Dublin as the City approaches build-out.

While the population increase projected under both scenarios is similar, increases projected under the Mid-Range Scenario are distributed relatively evenly across the fiscal analysis zones, thus distributing the burden of supplying services for the residential base throughout new growth areas. The employment difference between the scenarios is very large, with the Mid-Range Scenario having more than twice

the amount of new jobs than the Trend Scenario. The office sector is responsible for a majority of the increase in new jobs and non-residential square footage.

For the purpose of the fiscal analysis, ten analysis zones were studied. These generally correspond to the special planning areas described in *Chapter 3 - Land Use*. (Refer to Map 7.2 for the location of these zones.) Some of these zones are located entirely within Dublin City limits and consist of undeveloped land or areas expected to redevelop in the future. Others include unincorporated township lands located within Dublin's exclusive water and sewer service area. The Exclusive Service Area is based on contractual agreements between Dublin and Columbus for sewer and water services described in *Chapter 9 - Utilities*. Columbus provides the services to Dublin, and the contract defines the area in which the City of Dublin can expand. Upon annexation to Dublin, these properties become eligible for public services. Two of the fiscal analysis zones fall primarily within the Negotiated Service Area, located in the northwest portion of Dublin's planning area. The agreement between Dublin

and the City of Columbus states that prior to the annexation of any portion of this area by either municipality, both municipalities are to have reached a second agreement on the disposition of servicing this area. The fiscal analysis zones are defined as follows:

### *Dublin Infill Zone (Existing Corporate Boundaries)*

This zone is defined by the 2007 Dublin corporate boundary. The fiscal modeling for this zone assesses the impacts of new growth only (including redevelopment) and does not include existing development.

### *Avery Road Corridor Zone*

Approximately 745 acres are located along Avery Road within Dublin, stretching from the U.S. 33 interchange to Rings Road. This zone includes a mixture of existing residential, office and light industrial uses. This area was modeled with a mixture of residential, neighborhood-level retail and office uses at the intersection of Avery Road and Woerner Temple Road, as well as a

*Through extensive public input and policy discussion, area plans and future land use scenarios were created that reflected adopted land use principles. Based upon the traffic impacts of the land use options, the Mid-Range Scenario was selected to complete comprehensive modeling efforts. Since the completion of transportation, fiscal and utility modeling work, additional enhancements of plans for the U.S. 33 Corridor Area have occurred that are also indicated on the Future Land Use Map in Chapter 3. The adjusted land uses indicated on plans for the U.S. 33 Corridor Area and Future Land Use Map impact population projection and employment figures in Chapters 3 and 8 and are not reflected in the modeling output contained in Chapters 4, 7, and 9. Further testing will be necessary for the various models to represent newly proposed ideas for this important employment corridor.*

mixture of office, research & development and light industrial uses at the Avery Road/Shier Rings Road intersection.

### *Coffman Park Zone*

This zone includes approximately 250 acres along Post Road within Dublin, stretching from the I-270/U.S. 33 interchange to Avery-Muirfield Drive, and includes portions of Emerald Parkway and Perimeter Drive. This zone incorporates the Coffman Park expansion area between Commerce Parkway and Emerald Parkway. The area was modeled to include office development on land bounded by Emerald Parkway and the interchange.

### *Historic Dublin Zone*

Approximately 140 acres are located in the center of Dublin at the intersection of High Street (Dublin Road) and West Bridge Street (U.S. 33/SR 161). This zone includes a wide range of residential and commercial uses as part of a key village center within the City. Historic Dublin was modeled with a focus on mixed use infill and redevelopment, including retail, office, residential and civic uses.

### *Northeast Zone*

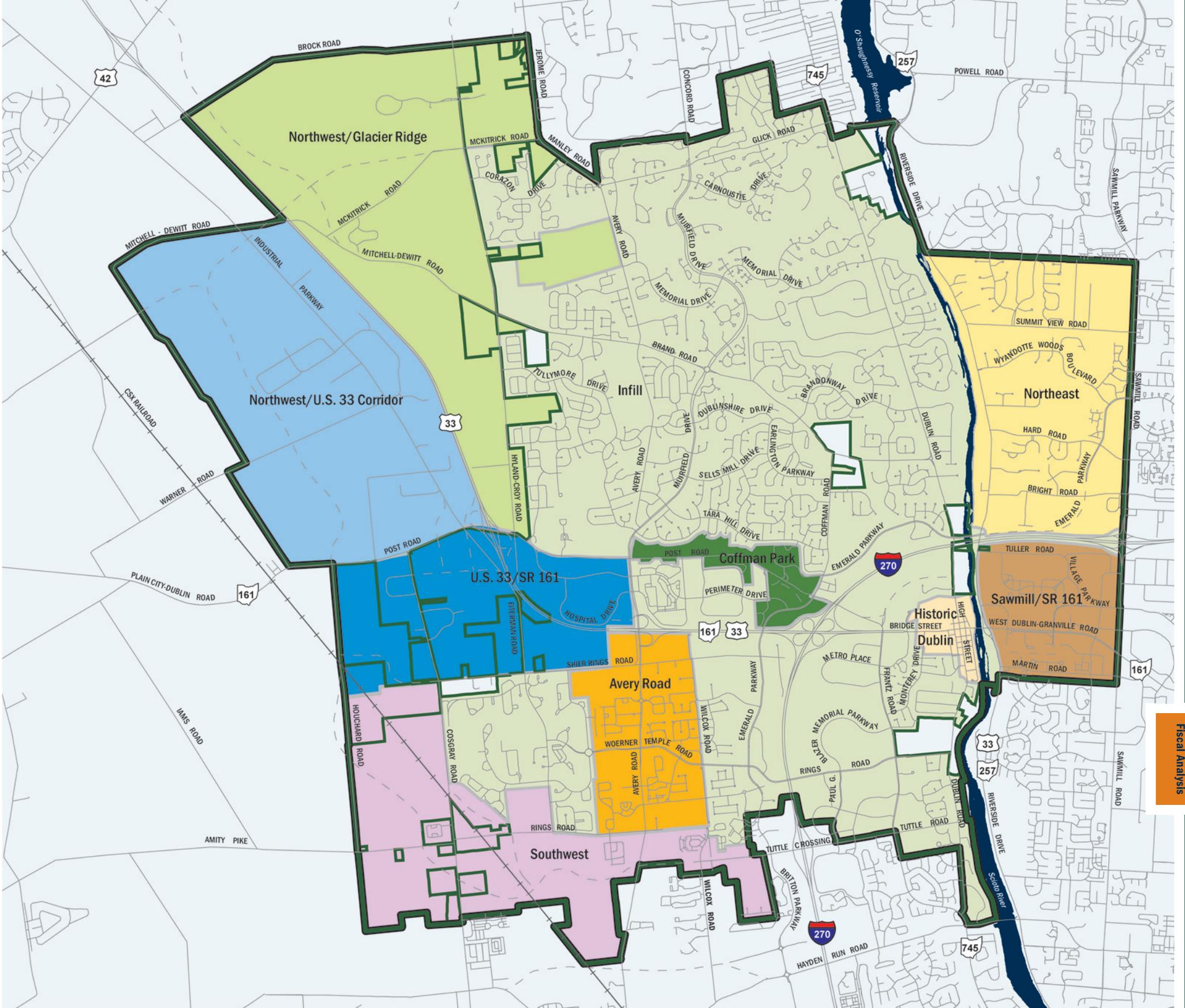
Approximately 1,620 acres lie within Dublin and are bounded by I-270, Sawmill Road, the Scioto River and the Dublin Corporate boundary. This area is predominantly residential and includes a variety of retail and office uses along Sawmill Road. The Bright Road portion of this area was modeled for a mixture of freeway-oriented office uses along I-270 and the future extension of Emerald Parkway, as well as a mix of residential and neighborhood-level office uses. This zone includes a potential redevelopment area at the corner of Sawmill Road and Summit View Road, also modeled as a mixture of residential uses and neighborhood-scale offices.

### *Northwest/Glacier Ridge Zone*

Approximately 3,000 acres are located between Dublin's northwest boundary (generally along Hyland-Croy Road) and U.S. 33, south of Brock Road. Small portions of unincorporated land are within Dublin's Exclusive Service Area, although the majority of this zone is located in the Negotiated Service Area. Portions also fall within the City of Marysville service area. A large portion

*Growth in the Central Ohio  
Innovation Center will help  
ensure Dublin's fiscal future.*





- Planning Area
- Avery Road Corridor
- Northeast
- Sawmill/SR 161
- City of Dublin
- Coffman Park
- Northwest/Glacier Ridge
- Southwest
- Infill Zone
- Historic Dublin
- Northwest/U.S. 33 Corridor
- U.S. 33/SR 161 Area



Map 7.2 Fiscal Analysis Zones

of this zone has been preserved as the Glacier Ridge Metro Park. This area was modeled with a focus on cluster residential (i.e. conservation design) development in the vicinity of the Metro Park, and a mixture of residential, research and development and office uses near the Post Road/U.S. 33 interchange.

### *Northwest/U.S. 33 Corridor Zone*

This analysis area includes approximately 2,550 acres to the northwest of Dublin, bounded by U.S. 33/SR 161 (Post Road), Mitchell-Dewitt Road and Kile-Warner Road. This zone is located entirely within the Negotiated Service Area, and also falls within the City of Marysville utility service area. The zone includes existing light industrial uses and other types of commercial uses, but is largely undeveloped. The area is accessed from U.S. 33 via an existing interchange at SR 161 (Post Road), which is planned for major improvements in 2008 and 2009. A new interchange at McKittrick Road is included in the City's Thoroughfare Plan, and the future extension of Houchard Road will provide additional access to this area. The area was modeled for a mixture of office, light

industrial and research uses, along with a series of mixed use retail/commercial centers with residential support.

### *Sawmill/SR 161 Zone*

Approximately 635 acres are within Dublin, bounded by I-270, Sawmill Road, Martin Road and the Scioto River. This zone includes existing and planned residential, retail and office development. Modeling included a substantial mixed use town center in the eastern portion of this zone, accessible via the I-270/Sawmill Road interchange, and supported by office and high density residential uses.

### *Southwest Zone*

Approximately 1,700 acres to the southwest of Dublin includes a mixture of incorporated and unincorporated land. The majority of this area has been annexed into the City. Unincorporated portions are within the Dublin Exclusive Service Area. This zone includes the Village of Amlin, located along the CSX railroad line and at the intersection of Cosgray Road and Rings Road. The future extension of Tuttle Crossing Boulevard to Houchard Road

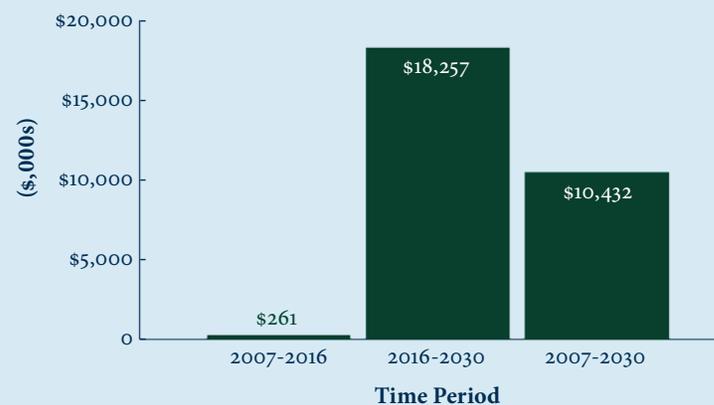
will provide additional access to this area, which is planned primarily for residential development. The area was modeled for office uses along Avery Road and mixed use commercial/residential developments along Tuttle Crossing Boulevard and in Amlin.

### *U.S. 33/SR 161 Zone*

Approximately 1,320 acres are bounded by U.S. 33/SR 161, Avery Road, Shier Rings Road and Houchard Road. Unincorporated portions of this zone are located within the Dublin Exclusive Service Area. The zone includes existing office and light industrial uses, but is largely undeveloped. This fiscal area is adjacent to the U.S. 33 Corridor Zone and was modeled for a mix of office, research and light industrial uses.



**Figure 7.1 Average Annual Net Fiscal Impacts from New Growth**



## D. Fiscal Impact Results

### Average Annual Net Fiscal Impacts from New Growth (City-wide Comparison)

Figure 7.1 illustrates the average annual net fiscal impact (revenues minus expenditures) over the 23-year development period. The fiscal results are shown for three time periods (Years 1-10, Years 11-23, and Years 1-23) and include both operating and capital impacts. All results are those accruing from new growth only, and do not include costs and revenues from the existing population and employment base of the City. As Figure 7.1 indicates, projected development according to the Mid-Range Scenario generates average annual net surpluses in all time periods. Average annual net surpluses are generated in Years 1-10 due to the additional income tax resulting from employment growth. Those surpluses are modest, however, because five of the ten fiscal analysis zones are adding park facilities to accommodate residential population growth during the period. There are large contrasts between Years 1-10 and 11-23 because more of the office sector

employment is projected to develop in the latter half of the analysis period. This shows that the City will be able to offset its capital and operating costs from new growth areas by emphasizing office development, the highest income tax revenue generating employment sector.

### Annual Net Fiscal Impacts

Development according to the Mid-Range Scenario is projected to generate \$817.5 million in cumulative income tax. Figure 7.2 shows the annual net fiscal impacts to the City over the 23-year development period. By showing the results annually, the magnitude, rate of change, and timeline of deficits and surpluses can be observed over time. Data points above the \$0 line represent annual surpluses, while points below the \$0 line represent annual deficits. The irregular nature of the annual results during particular years represents the opening of capital facilities and/or major operating costs being incurred. Increasing annual net surpluses are projected for a majority of the years, primarily due to the amount of income tax revenue the City receives from the higher employment projected for the latter half of the analysis period. The sharp

downward spikes in data are the result of new park facilities being constructed, reflecting pay-as-you-go financing for the development of each park.

### Cumulative Net Fiscal Impacts

Figure 7.3 illustrates the cumulative net fiscal impacts to the City of Dublin for the operating and capital budgets as well as the combined net impact. The cumulative impacts are the total amount of money lost or gained over the 23-year analysis period. As the chart indicates, a cumulative net surplus of \$239.9 million is projected. The chart shows that the City will be able to handle the operating costs incurred from new population and employment growth, as a surplus will be generated for the operating budget. Net deficits are generated in the capital budget because of the costs incurred primarily from road capacity projects and additional park construction. While growth-related capital projects cannot be funded without transfers from the General Fund (operating budget), the City will be able to cover the deficits incurred by the capital budget because of a larger surplus in the operating budget.

Figure 7.2 Total Annual Net Fiscal Impacts from New Growth



Figure 7.3 Cumulative Net Fiscal Impacts from New Growth Operating v. Capital Budget



### Cumulative Net Fiscal Impacts by Fiscal Analysis Zone

Figure 7.4 illustrates the cumulative net fiscal impacts (combined net impact of the operating and capital budgets) to the City by fiscal analysis zone (FAZ). The cumulative impacts are the total amount of money lost or gained over the 23-year analysis period. In this analysis, road capital facility costs were allocated to the zone for which they are planned. City-wide capital facility costs were also allocated according to the proportion of new growth projected in each zone. The majority of net surpluses are generated from the Northwest/U.S. 33 Corridor and Sawmill/SR 161 FAZs, which have the first and third highest employment increases, respectively. The City will be able to offset the large costs of road infrastructure in the U.S. 33/SR 161 Zone with more employment, mostly in the office sector. From the study, a total of three zones are expected to generate deficits.

### Fiscal Study Summary

This analysis reflects the projected cash flow to the City. Its forecast reveals annual net surpluses starting in 2010 and sustained surpluses (no deficits) from 2016 through the end of the analysis period. It is important to note that this analysis was based on maintaining existing levels of service as defined by the FY2007 Budget. If the City will not be able to capture the office sector employment projected or if the residential base is greater than expected, there will be a reduced surplus or possibly net deficits.

Capital costs and employment are the major drivers of deficits and surpluses. If an area has a large residential base and a small employment base then it will most likely incur deficits due to demand for services by the residential component and a lack of income tax revenue from the employment base to cover this demand. The office sector will generate the most

income tax revenue of the three sectors considered; the other two components are industrial (second highest) and retail (last). Uses can have a profound effect on creating surplus in a zone, and the cost to serve the retail sector alone with police and other services outweighs income taxes generated from this sector due to lower-wage service jobs. Target areas with a high proportion of retail jobs relative to the other two employment sectors will generate net deficits. Retail uses, however, should be viewed as a quality of life factor that surpasses defined geographies for fiscal analysis.

The fiscal study assumes that certain capital costs will be debt financed. This assumption enables policy makers and City staff to discuss financing options and trade-offs regarding pay-as-you-go versus debt financing as it relates to operating and capital needs. For instance, the timing and location of population increases will trigger certain capital facilities (such as parks) to be built at certain times. This creates the need to pay all the development costs for the parks at the time of construction and to debt finance the acquisition costs for community parks as necessary. Net

**Unlike the fiscal findings for many communities, new growth generates net surpluses to the operating budget in the City of Dublin.**

Figure 7.4 Cumulative Net Fiscal Impacts from New Growth, by Fiscal Analysis Zone



deficits are larger in the first half of the analysis period for the Trend Scenario primarily due to the development cost incurred by the Southwest Zone for park facilities, the compounding nature of debt service payments for growth-related capital improvements, and a lack of employment to cover the costs. This same effect was not as drastic in the Mid-Range Scenario because the increase in income tax revenue from more employees helped to offset these capital improvement costs.

Transportation improvement projects represented the largest capital expense over the 23-year development period for the scenarios. Road construction for the Mid-Range Scenario was entered directly into the fiscal model based on projects identified by Burgess & Niple. Road projects were also identified for the Trend Scenario and entered directly into the fiscal model based on current projections and road projects identified by the City of Dublin Engineering Department. In the Mid-Range Scenario, the projected addition of 38,700 more employees will generate higher income tax revenue to help offset the major expenditures for road improvements.

Police, Street Maintenance, and Parks represented the largest growth-related operating expenses for the City. In the Mid-Range Scenario, Economic Development was the third largest growth-related operating expense; however, this category was projected using jobs because it was directly related to the City's ability to attract new businesses.

### *Fiscal Study Conclusions*

The following major conclusions can be drawn from the fiscal analysis:

- If the City is successful in its efforts to increase its presence as a regional employment center, the present revenue structure will be sufficient to provide current levels of service to new development.
- Unlike the fiscal findings from most communities, new growth generates net surpluses to the operating budget in the City of Dublin. This is because the City's revenue structure is heavily reliant on income tax and the City is fortunate to have a high employee to resident ratio. This is important in Ohio because most municipal revenue is derived from income tax rather than property tax.
- Although the Trend Scenario generates a net deficit, the current City population and employment base generates revenue that exceeds costs in the current FY2007 budget. This surplus generated by the City's existing

development base is due to economies of scale that exist with current infrastructure as well as staffing capacity. Expansion into areas outside the City's present built environment creates the need to expand infrastructure and hire additional staff.

- Road construction is the primary source of all expenses generated by the City. It amounts to 30 percent for the Mid-Range Scenario (including both operating and capital costs). Many of the same road improvements were identified and projected under both scenarios. However, the different road projects that are identified to be built under each scenario have greater cost implications for the Trend Scenario when comparing projected growth. Development according to the Mid-Range Scenario will generate more employment, population, and housing units in addition to more vehicle trips per year due to increased employment.
- The City will benefit by encouraging higher density residential development in targeted planning areas. The Mid-Range Scenario places greater emphasis on alternative housing units, as well as mixed use and clustered residential development patterns that will enable the City to lower residential road frontages required for new development. The lower road frontage means the City will have less street surface to maintain despite having a higher population and more housing units.

### III. LAND USE ANALYSIS

A *Cost of Land Use Study* was also completed by TischlerBise for new residential and nonresidential development. A Cost of Land Use Study examines the fiscal impact of prototypical land uses currently being developed in the City and as anticipated in the future. In this type of analysis, the costs and revenues for various land use prototypes are evaluated in order to understand the fiscal impact of each land use on the City's budget. In other words, it seeks to answer the question, "What type of growth pays for itself?"

The City and TischlerBise developed five residential and four nonresidential land use prototypes for examination. The five residential prototypes included Single-family Detached, Townhome, Duplex, Multi-family Rental, and Multi-family Condominium (owner-occupied). The four nonresidential uses were Retail, Office, Industrial, and Research & Development (R&D). This analysis focused on the fiscal impact of selected land use prototypes without regard to geographic location. For this reason, the analysis used an average costing method,

particularly for one-time capital costs. In some cases, the costs may be fixed. In other cases, costs are offset in whole or part by revenues from a particular service.

#### A. Cost and Revenue Assumptions

The net fiscal impacts for the nine land use prototypes were determined by subtracting the costs necessary to serve these land uses from the revenues generated by each. The cost and revenue factors were determined based on the City's FY2007 budget and current levels of service provided by the municipality. Capital cost factors were determined based on Dublin's 2007-2011 Capital Improvement Plan (CIP). The analysis included the City's tax supported funds affected by new development. To derive the costs, revenues, and service levels, TischlerBise interviewed department staff and reviewed the current budget, along with other financial and demographic data.

#### B. Fiscal Impact Results

##### *Residential Land Use Prototypes*

The fiscal impact results for the residential land use prototypes are summarized in Figure 75.

- None of the residential land use prototypes studied produced a net surplus to the City. Income taxes and property taxes comprise 50 to 60 percent of all revenue collected by the City for residential development. However, the revenue collected by these two taxes, as well as other tax supported funds, were not sufficient to cover the costs of providing services for any residential prototype.
- The number of persons per household and vehicle trips per household were the main reasons for differences in the expenditures. The higher the number of persons per household and vehicle trips, the greater the costs.

**The revenue collected by income and property taxes were not sufficient to cover the costs of providing services for any residential prototype.**

##### Residential Land Use Prototypes

The residential prototypes included in the land use analysis were:

1. Single-family Detached
2. Townhome
3. Duplex
4. Multi-family Renter
5. Multi-family Condominiums

##### Nonresidential Land Use Prototypes

The nonresidential prototypes evaluated were:

1. Retail
2. Office
3. Industrial
4. Research and Development (R&D)

- The single-family detached prototype produced the greatest revenues, averaging \$991 per unit. It also generated the greatest expenditures, averaging \$2,703 per unit. The annual net deficits for the single-family prototype were 71 percent higher than multi-family condominiums, the residential prototype that had the second highest annual deficit. The higher costs are due to the number of persons per household, as well as a higher trip generation rate.
- The primary difference in revenue between remaining residential prototypes (excluding single-family detached) was the market value of the home. For example, there was a \$68 difference in total average revenue between townhome and duplex units. Of this difference, \$48 could be explained by the variation between the market value of the homes.

### Nonresidential Land Use Prototypes

The fiscal impact results for the nonresidential land use prototypes are summarized in Figure 7.6. It is

important to note that the assumptions reflect current levels of service.

- Three of the four nonresidential land use prototypes produced annual net surpluses, with only the retail prototype producing an annual net deficit.
- The retail prototype produced a net deficit because the income taxes generated were the lowest of the four prototypes and police costs were the highest (about 2.5 times more than the next highest prototype, which was office). Lower income tax was generated due to the lower wages of service employment.
- The office and R&D prototypes had net surpluses primarily due to the income taxes paid, which was an average of \$1,328 per employee. The retail prototype had net deficits because this was the lowest income tax paying prototype, averaging \$123 per employee or \$324 per 1,000 square feet. The income tax generated from this prototype was not sufficient to cover the major operating expense of police services and road capital improvements, totaling \$1,606 per 1,000 square feet.

- Another reason the retail prototype had such a large deficit was that the capital expenditures for roads are \$900 per 1,000 square feet compared to \$370 per 1,000 square feet for office, the next highest prototype. The costs were larger due to higher trip rates. The vehicle trips for the retail prototype were 67 per 1,000 square feet compared to 18 per 1,000 square feet for office, a difference of 370 percent.
- The research and development (R&D) prototype generated the highest net surplus of all nonresidential prototypes. This was due to the second lowest costs for police and capital improvement costs for roads, as well as higher income taxes.

### C. Major Conclusions

The following major conclusions could be made from the analysis:

- Ohio's local government revenue structure is unique in that the primary revenue source is income tax. Because income tax is collected primarily by place of employment, residential development generally does not

Figure 7.5 Residential Land Use Prototypes Annual Net Results (Per Housing Unit)

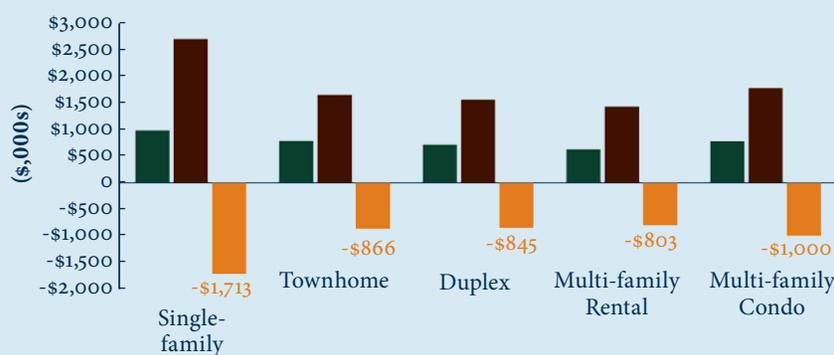


Figure 7.6 Nonresidential Land Use Prototypes Annual Net Results (Per 1,000 Square Feet)



pay for itself. Therefore, it will be necessary for the City to attract new jobs, especially office and R&D, to cover the costs of residential growth.

- The City is heavily reliant on income taxes paid by employees who work in the City. Residential development only pays income taxes if the person works at home inside the City limits; in a location where there is no income tax; or where the tax is less than the City's current rate. Otherwise the tax is assessed only to nonresidential development. The City's heavy reliance on income taxes is illustrated by the annual net deficits on all the residential prototypes and by the annual net surpluses for the three highest wage-paying nonresidential prototypes (office, R&D, and industrial).
- The single-family detached prototype generates the worst fiscal results for the City. This land use consumes a large amount of the City's services because of the high number of persons per household and vehicle trips.
- It is likely that actual costs to serve the residential and nonresidential land uses are greater than the costs determined

in this analysis. As discussed above, there is a limitation of the average cost approach utilized in this type of evaluation. For example, as is the case in most cities across the country, the capital improvement plan and general operating budgets are fiscally constrained. That is, they do not fund the actual demand for services. Rather, they fund a level of service that can be afforded by the community. In addition, the cost to serve new development in the future is likely to be greater than the average cost of service today, even in constant dollars.

- As stated above, it is important to acknowledge that fiscal issues are only one concern when evaluating land use policies and decisions. Non-fiscal issues such as the environment, housing affordability, jobs/housing balance and quality of life must be considered. The emphasis should be on achieving an appropriate mix of land uses.

## IV. OBJECTIVES AND STRATEGIES

### Objective 1: Seek alternative sources of revenue to offset costs of future roadway and other capital improvements.

Based on the Mid-Range Scenario, new growth within Dublin's planning area is projected to have average annual net revenues of \$10.4 million per year over the 23-year analysis period between 2007 and 2030. Increasing annual net surpluses are projected for a majority of the analysis period, primarily due to the amount of income tax revenue the City receives from higher levels of employment in the later half of the period. Including the phased annexation of all areas, the first ten years of the analysis period (2007-2017) show modest average annual net revenues of \$2.6 million per year, while years 2018-2030 show substantial average annual net revenues of \$18.2 million per year. Road construction is the primary source of all expenses generated by the City, accounting for 30 percent of all expenses (operating and capital costs combined) in the Mid-Range Scenario. New development within annexation areas will help to offset these costs.

*Future growth strategies target companies focused on medicine, technology and research and development.*



- A. *Secure Greater Percentages of Funding...* for new roads from federal, state, county and developer contributions.
- B. *Continue to Use Tax Increment Financing (TIF)...* and other types of financing districts to fund new growth, where appropriate.
- C. *Use Private-Public Partnerships...* for the development and operation of future capital facilities and City services.
- D. *Continue to Review and Establish City Fees...* based on the costs to provide City services and on City Council's established level of cost recovery (Cost of Services Study).

**Objective 2: Maintain an acceptable balance of residential and commercial growth as development and redevelopment occurs.**

Based on the Mid-Range Scenario, the City is able to offset its capital and operating costs using income tax revenue generated by new employment, primarily from the office sector. The

office sector generates more income tax revenue than the industrial and retail sectors, while the cost to serve retail uses with police and other services typically outweighs the income tax generated from this sector. Likewise, residential uses typically incur net deficits to the City, but they are an essential element to providing a balance between population and employment.

If the City is not able to capture the office sector employment projected in the Mid-Range Scenario, or the residential base is larger than expected, there will likely be a reduced surplus or possibly net deficits in the future. However, higher than recommended employment intensities will generate greater traffic volumes and will increase congestion.

- A. *Comply with the Future Land Use Map...* and its accepted development densities to manage the fiscal impacts of new development.
- B. *Continue Monitoring and Fiscal Evaluation...* as completed with the annual review of the Capital Improvements Program and operating budget.
- C. *Create and Maintain a Database...* of developable land and available commercial space in order to facilitate economic development efforts.
- D. *Monitor Employment Growth over Time...* to observe significant percentage increases or reductions.

**Objective 3: Require new development to pay its fair share of growth impacts.**

Some communities have successfully adopted impact fee ordinances that require developers to pay for the costs of new growth. Development impact fees are one-time charges on new development used to cover necessary capital expenditures related to the project. Although impact fees cannot be used to offset repair and replacement costs for existing infrastructure or to offset operating expenses, they serve to ensure continued levels of service by funding new infrastructure and facilities. Impact fees are different from the City's existing subdivision and site plan ordinances that require a developer to provide certain facilities within a project (e.g. streets, sidewalks and utilities). Instead, they are typically used to fund capital facilities necessitated by the development, but located off the premises of the project (e.g. roads, bridges, sewer extensions, water towers, parks and recreation facilities). When multiple development projects create new facility needs, each can be assessed a fee to cover the appropriate share of the cost.

- A. *Consider the Implementation of Impact Fees...* or excise taxes to fund new infrastructure, particularly new roads. This will allow for new development to pay for its "fair share" of necessary infrastructure.
- B. *Conduct and Periodically Update an Impact Fee Study...* to document the relationship between certain types of development and capital facility impacts and to establish appropriate fees per-dwelling-unit or per-square-foot of non-residential space.

**Objective 4: Maintain a quality Level of Service (LOS) standard for Dublin's services.**

The City currently enjoys high levels of quality services funded substantially by a significant income tax base. Operating expenditures are highest for Police and Public Safety services, which comprise 24 percent of total expenditures under the Mid-Range Scenario. Public Service is the second largest category of operating expense providing services such as waste management, fleet management, engineering and building standards. These services are driven by factors such as housing units, lane miles, population and jobs, which are projected to increase considerably over the analysis period. Street maintenance operating expenses are minimized in the Land Use Plan. This is due to a greater focus on alternative housing types and mixed use neighborhood developments which require less road frontage than single family detached housing units.

A. *Incorporate a Level of Service Monitoring Program...* into the annual fiscal evaluation and monitoring process stated above.

This should be a collaborative effort among all City Divisions.

- B. *Maintain a Comprehensive Database...* of population and development factors affecting operating expenditures and service provision, utilizing building permit data, the City's work order system and Geographic Information System (GIS) and other available sources.
- C. *Conduct an Analysis...* of immediate and long term fiscal consequences before levels of service are changed.



*Quality services are maintained by balancing growth with conservative fiscal practices.*





**Quality office development  
is an important ingredient to  
Dublin's fiscal soundness.**

