STRONG TOWNS

LOCAL-MOTIVE TOUR

GO OR NO-GO?

HOW TO ANALYZE A NEW PROJECT WITH A STRONG TOWNS APPROACH

How should a community decide whether or not to go ahead with a project? Whether the project is initiated by the city government, advocated for by a community group, or proposed by a developer, the two filters for doing a Strong Towns evaluation are the same.

PRIMARY FILTER:

DOES THE PROJECT IMPROVE THE COMMUNITY'S BALANCE SHEET?

Most projects will create some costs for the community, including costs for infrastructure maintenance, police and fire protection, and added strains on facilities like parks and libraries. For a Strong Towns evaluation, a community must ask: Does the project create greater community wealth than the long-term costs and obligations it imposes?

TO ANSWER THE QUESTION, CHOOSE ONE OF TWO APPROACHES: **MIMIC** OR **DO THE MATH**

MIMIC SUCCESSFUL PATTERNS

Does the proposed project mimic a pattern of development shown to be financially productive?

Does the project represent the next increment of development intensity for the site?

Does the project limit downside risk for the community?

DO THE MATH

Does the project create $30 in private wealth for every $1 in new public infrastructure liability?

OR

A Perform an analysis to determine the ongoing annual revenue from the project. Multiply this by the percentage of the budget spent on infrastructure maintenance.

B Perform an analysis to determine the average annual cost of a full replacement of new infrastructure.

IS A GREATER THAN B?

YES

If the answer is "**YES**" to all three Mimic questions, or "**YES**" to one of the two Do the Math questions, then issue a finding that:

THE PROJECT IMPROVES THE COMMUNITY'S BALANCE SHEET.

If the answer is "**NO**" to any of the Mimic questions or both of the Do the Math questions, then proceed to the secondary filter.

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SECONDARY FILTER: DOES THE PROJECT JUSTIFY RAISING TAXES ON THE ENTIRE COMMUNITY?

If a project costs more over the long-term than it creates in wealth for the community, that does not necessarily make it a bad project. There are projects and improvements that the community values so much they will support them through increased taxation. For a Strong Towns evaluation, a community must make that determination and then seek ways to improve the financial value of the project.

Is the project critical, important, or so unique that it justifies raising taxes on the entire community to support it?

YES

NO

If NO, then deny the project with a finding that:

The project creates negative financial impact on the community.

If YES, then consider the following to improve and/or mitigate the financial impact to the community:

- Are there ways to design the project to make it more adaptable, so that it has multiple future uses beyond the use currently being considered?
- What can be done as part of the project to increase the measured value of properties directly adjacent to the project?
- What can be done as part of the project to increase the measured value of properties within 2,500 feet of the boundaries of the project?
- Are there ways to design the project to reduce or eliminate the community's long term financial commitment to the project?

APPROVAL OF THE PROJECT SHOULD INCLUDE:

- A finding that, while the project creates a negative financial impact on the community, it is justified by offsetting factors. Specifically name those factors.
- Steps or requirements for improvement and/or mitigating the financial impact to the community.
- Mechanisms to track and report on outcomes so as to validate and/or improve the processes used to evaluate financial impact.