The job of any mayor or township trustee who wants to be re-elected is to provide the best possible services to his or her constituents while keeping tax rates low. The way to do this is to build the community's tax base, especially by attracting commercial and industrial land uses that pay more in taxes than they consume in services (residential development can be a net loser because of the high costs of schooling children and meeting other service demands).

When all communities in a region like Northeast Ohio independently seek to maximize their tax base, a number of problems arise:

- **Accelerated outmigration**: New communities at the edge of the metro area are under pressure to build their tax base, so they encourage the migration of development from older communities. In a slow-growth region like Northeast Ohio, this can be a zero-sum game where new developments (like shopping centers) cannibalize old. This widens fiscal disparities, as new communities grow wealthier at the expense of older communities.

- **Competition rather than cooperation**: In a fragmented region, there's little incentive to cooperate for the greater good. The region struggles to achieve a more unified, “all for one and one for all” voice when pursuing economic development.

- **Distorted land use**: Some communities, such as those with a lot of environmentally sensitive land, are pressured to develop at greater intensity than they should. There are costs to the whole region when development doesn’t happen in the most suitable places.

**Working together to strengthen the whole region**

Researchers and policy makers in Northeast Ohio have talked about these problems for decades without much impact on regional land use trends. The most promising response has been the Ohio Lake Erie Commission’s **Balanced Growth Program**, an innovative framework to promote collaborative planning within river watersheds in order to protect water quality.

In 2008 a group of politically influential mayors, led by Hudson Mayor William Currin, came together to put a new idea on the regional agenda — the sharing of tax base from new development so that all communities in the region can benefit from growth. It’s an idea that has worked well for many years in the Twin Cities metropolitan area of Minnesota.

Working with the Northeast Ohio Mayors and City Managers Association, the mayors began the **Regional Prosperity Initiative (RPI)** to study how to implement new tax-base sharing in Northeast Ohio. Other groups joined the initiative, including the Northeast Ohio City Council Association, the Fund for Our Economic Future, Team NEO, and Advance Northeast Ohio.

The RPI seeks to advance the following regional goals:

- Advance the region’s economic competitiveness.
Pursue economic stability of all jurisdictions in the region.
- Enhance effective and efficient costs of infrastructure and utilities.
- Minimize the loss of farmland, open space and natural resources.
- Minimize environmental degradation.

The initiative’s final report, released in June 2010, presents a methodology for tax-base sharing among communities related to the future growth of commercial and industrial tax base in the region. The report also recommends a process of coordinated land-use and infrastructure planning for the 16-county region, recognizing that economic development needs to be based on sustainable patterns of land use.

To implement the RPI, its leaders are promoting state policy reforms that will make it easier to collaborate at the regional level. And ideas from the RPI were incorporated into Northeast Ohio’s recent proposal for the Sustainable Communities Planning Grant offered by the U.S. Department of Housing and Urban Development.

Northeast Ohio regional planning documents
- “Growing Our Region’s Future,” June 2010 RPI report
- “A Framework for Coordinated Land Use Planning in Northeast Ohio,” Interim RPI report
- “Northeast Ohio Application for Sustainable Communities Regional Planning Grant”

Other resources
- Overview of regional tax sharing
- The Minnesota model: History and outcomes
- Studies on regional growth patterns and tax base disparities

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