

Getting Started

There are a number of resources available to help you begin to increase tax revenues in your community through balanced commercial growth.

- Orange County Partnership (845) 294-2323
www.ocpartnership.org
- Orange County Government (845) 291-2700
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INCREASING TAX RATEABLES

A GUIDE TO BALANCED GROWTH

**Alliance
FOR
Balanced
Growth**

ORANGE COUNTY NEW YORK

A STANDING COMMITTEE OF THE

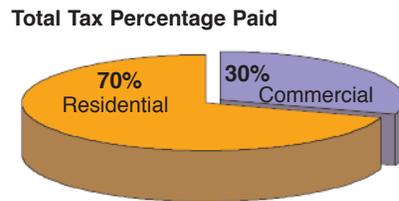
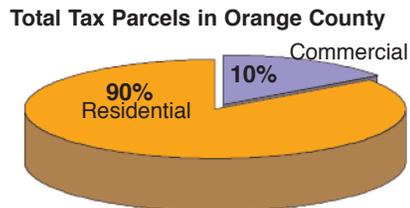
ORANGE COUNTY
PARTNERSHIP
OFFICE OF ECONOMIC DEVELOPMENT
NEW YORK



The **Alliance for Balanced Growth** is a standing committee of the Orange County Partnership. Our top priority is to create a unified voice for responsible development and quality construction. Our market is industrial – commercial development and office facilities – and we rely on quality of life components in Orange County to attract strong companies to expand and locate here. We work with local, county, and state governments, as well as our business community, to have our message heard.

Introduction

The purpose of this guide is to educate residents and community leaders on the value of business growth and to offer suggestions on how to increase tax rateables throughout our municipalities. As commercial tax revenues increase, residential services are enhanced and tax increases are offset. Commercial growth improves quality of life by supporting important local community services including schools, fire and emergency services, dial-a-bus and waste management.



Does your community have a balanced ratio between commercial tax revenues and the residential tax burden? Who pays for your community services?

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and an Investor in the Orange County Partnership.

CHESTER INDUSTRIAL PARK AND NEELYTOWN ROAD IN MONTGOMERY

These parks serve as excellent examples of a municipality locating development within a **priority growth corridor**. They are centrally located off Route 17 (I-86) and Route 84 respectively and offer abundant infrastructure. They provide hundreds of jobs for residents and thousands of dollars in tax revenues for much-needed community services.

Companies that choose to locate in the Chester Industrial Park take advantage of the generous coverage ratio of 50%. The total combined square footage of all existing buildings is 1,964,000. Based on a figure of approximately \$1.50* per square foot, tax revenues are estimated at \$2,946,000.

Located in the Town of Montgomery, the Neelytown Road Corridor generates \$3,823,587, representing more than 44% of the total commercial taxes paid.

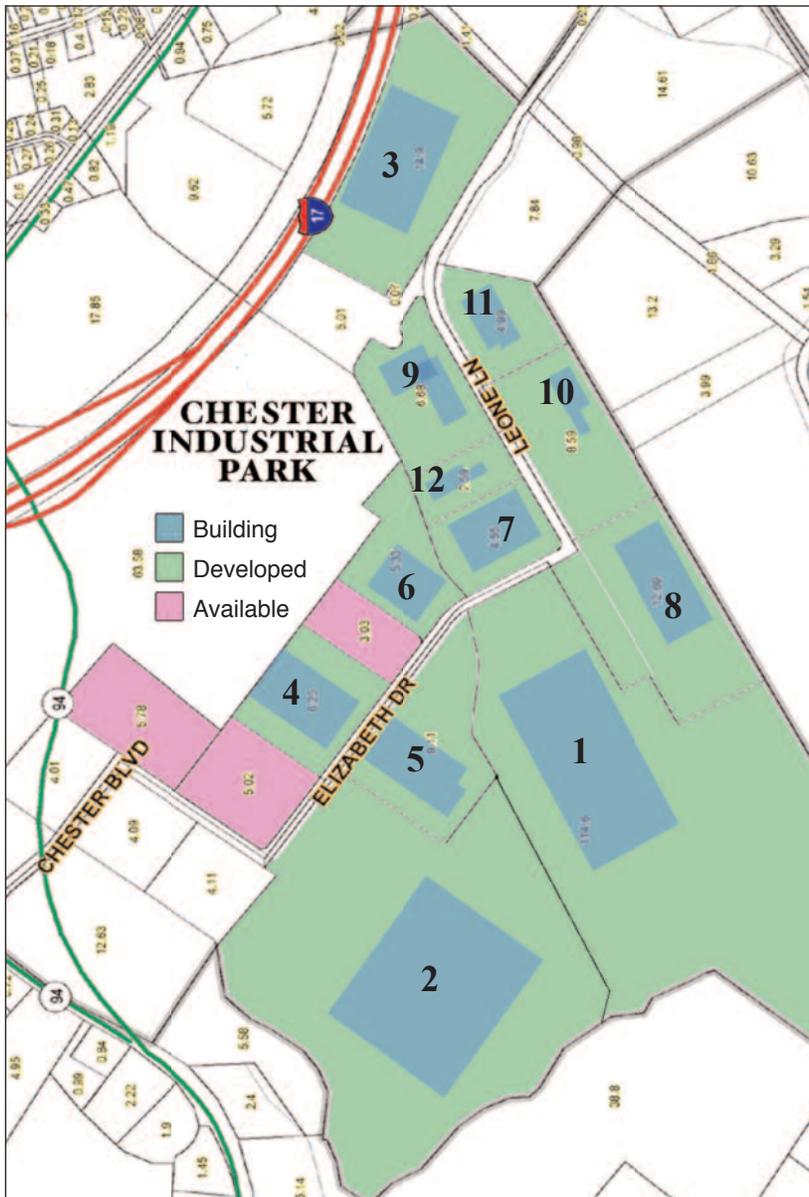
Combined, these two business corridors pay almost \$7 million in taxes to pay for schools, fire and emergency services, local road improvements and much more.

Business Name	Square feet
1 Pep Boys	398,000
2 Amscan (Elizabeth Dr.)	526,000
3 Amscan (Leone Dr.)	287,000
4 GE	85,000
5 Steris Corp.	110,000
6 CSI	90,000
7 Iron Mountain	130,000
8 C & S	171,000
9 Chem - Chor	61,000
10 Brakewell	26,000
11 Belmay	55,000
12 CSA / ISA	25,000
Total	1,964,000
Tax rate per square foot*	x \$1.50
Total taxes paid	\$2,946,000

*Estimated tax rate for example purposes



Proper review results in a well-planned, high-density park attracting high-paying quality jobs.



Business parks that incorporate higher coverage ratios often use creative landscaping, pleasing set-backs and architectural covenants to maintain the integrity of the community.

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Supporting Pre-Permitting

One sure way to stay at the forefront of the competitive marketplace is to ensure that your community's available business locations are "shovel-ready". Shovel-ready means that all municipal approvals are in place even before a customer is identified. Pre-permitting makes it easy to work within a customer's internal timeline and erases any uncertainties about a site, placing you well ahead of the pack.

- **GEIS** – Generic Environmental Impact Study - This study, conducted by engineers and multi-disciplined firms, can determine how suitable a site is for commercial growth and what type of company would be best served there. Topics covered by the GEIS include wetlands, traffic, air quality, etc.
- **Speculative Building** – By far, the best way to be competitive is to have a pre-permitted building constructed before a customer is identified. Building flexible commercial buildings with easily-accessible infrastructure in a suitable location will increase your community's desirability tenfold.
- **Local Successes** –The State of New York and Orange County's local economic development community strongly encourage speculative building, GEIS and pre-permitting. Through programs such as BuildNow-NY and the Empire Zone, New York State can provide matching grants to help defray engineering and construction costs. Orange County has a total of eight BuildNow-NY sites, the most designated sites in one county in the entire state. Each site underwent a Generic Environmental Impact Study, with funding received from the BuildNow-NY program.

First Columbia LLC is a prime example of how successful these grants can be. First Columbia applied for and received Build Now-NY funding and Empire Zone eligibility for its redevelopment of the former U.S. Army subpost in New Windsor. The company has created hundreds of jobs and tremendous increases in tax revenues for the town due in large part to the pre-permitted and flexible buildings located on that property. Community services in the Town of New Windsor have been greatly enhanced by the increased tax revenues derived from First Columbia's successful development.

Model Zoning

It is vital to a community's success to have accessible areas designated for commercial growth.

How do you want to see your community grow?

- **Growth Corridors** - Where do you want your town's commercial industry to be? Model zoning patterns are available for all types of communities. Orange County and the State of New York have the resources you need to help determine the best location for a community's *priority growth corridors*. Orange County's Planning Department has developed a Comprehensive Plan for the County that takes into account each municipality and its location within the region. Use this valuable tool as a guide as you plan the future of your community.

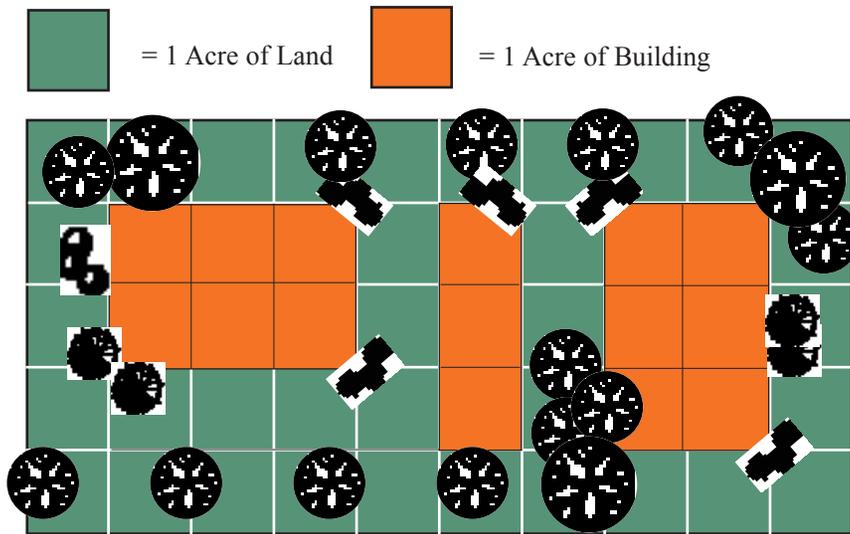
Are your town boards and planning boards putting quality projects within your growth corridors on a fast-track for approval?

- **Coverage Ratios**
(Tax Rateables) A coverage ratio is the percentage of development allowable on a specific parcel. Coverage ratios are determined by zoning practices. Communities around the nation have concluded that concentrating more commercial growth into smaller areas with higher densities reduces sprawl and increases tax revenues. By allowing 65% of a 50-acre business park to be used for industry, rather than 30% of the same 50 acres, communities can increase tax rateables by 130% on the same plot of land.
(Land Conservation) For example, on a 50-acre business park with a 30% coverage ratio at a tax rate of \$1.50, about \$980,000 can be generated in tax rateables. The same 50-acre business park with 65% coverage, at that same tax rate, will generate over \$2 million in tax rateables. To generate \$2 million in taxes with a 30% coverage ratio, your municipality needs to allocate 100 acres, instead of 50 acres with a 65% coverage ratio. By instituting strict landscaping requirements, municipal leaders can ensure that these higher density areas remain true to a community's natural beauty and landscape. Higher coverage ratios reduce sprawl and the deterioration of open space by concentrating growth.

Is your municipality considering innovative ways to reduce sprawl while increasing tax rateables?

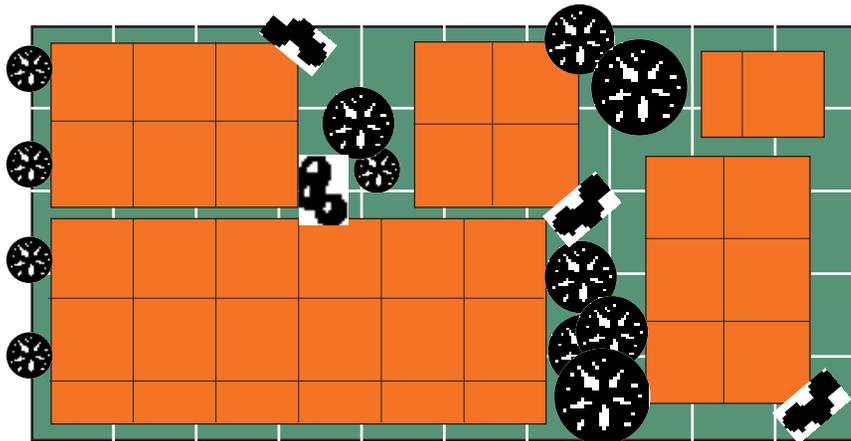
What are your municipality's requirements for coverage?

How Coverage Ratios Effect the Tax Base



30% Coverage Ratio on 50 acres allows 15 acres of building

Using the 30% ratio and an average of \$1.50 per square foot tax rate, the buildings allowed would generate **\$980,100** in taxes.



65% Coverage Ratio on 50 acres allows 32.5 acres of building

On the same parcel of land, using the 65% ratio and an average of \$1.50 per square foot tax rate, the buildings allowed would generate **\$2,123,550** in taxes.

Getting Deals Done

Once a company indicates that it is interested in moving to your community, how can you best work with that potential employer to ensure success?

- **Predictable Review Process** – Municipal leaders often meet with potential employers before the business-attraction process begins to determine what expectations and requirements need to be met for a project to succeed. Open communication and well-designed guidelines for success can help a company meet municipal requirements easily and quickly.
- **Access to Planning Professionals** – Encouraging a company to meet with your town’s planning board engineer prior to beginning the process can be a way to save the time, energy and resources of your planning board, in addition to moving the project forward in the most practical time-frame.

Every municipality is different. Some may require you to meet with their code enforcement officer and consultants, as well as their engineers.

- **Reasonable Time Frames** – Once again, it’s important to remember that expanding companies are on a tight timeline and need full cooperation in order to meet their goals. Unreasonable wait times for meetings and approvals can break deals, while fast-tracking important projects that meet municipal guidelines can only increase job opportunities and tax revenues. Consider defining set decision timeframes into your local zoning code.

Understanding the Competitive Marketplace

Now that you recognize the important role commercial growth plays in your community's ability to sustain itself, how do you begin to attract new business?

- **Competition** – As we all know, today's business marketplace is highly competitive. New business recruitment is no different. Almost every community in the nation has decided to target companies that bring high-paying jobs and clean industry.

How can your municipality position itself to recruit the best business? What are your community's assets? Are you located close to a major roadway? Do you have strong sewer, road, telecommunications and water infrastructure?

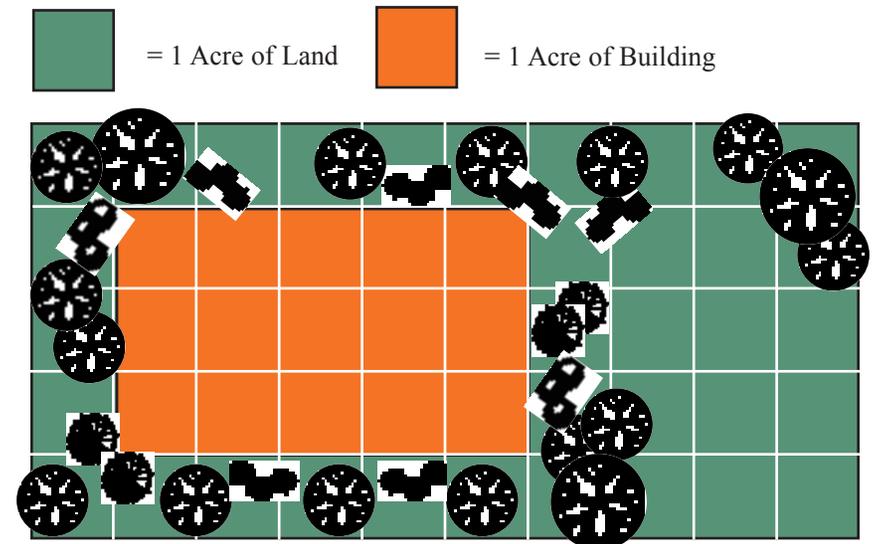
- **Speed of Business** – Every company that begins the new site selection process is on its own internal clock. Top decision makers in the company have set an attainable deadline for project completion. If your municipality cannot work within that timeline to approve the project, the company will be forced to find a different location.

How can you prepare your municipality to work within tight timelines?

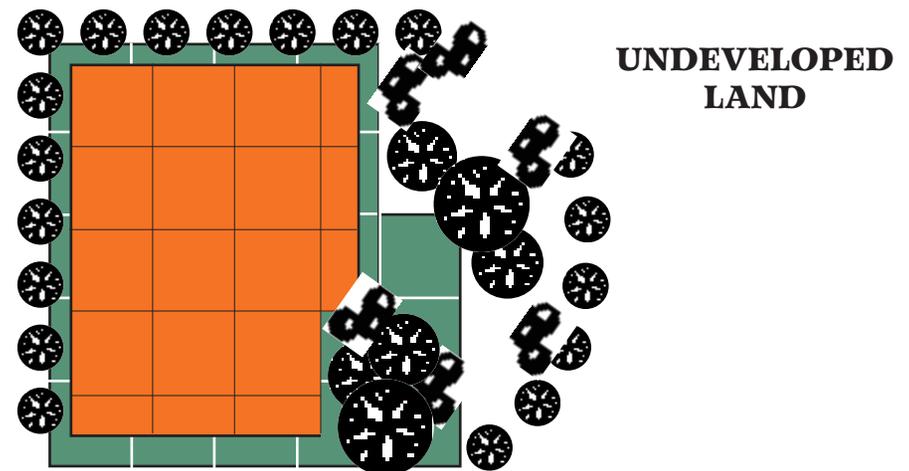
- **Request for Proposal (RFP)** – Typically, site selectors and corporate relocation consultants request proposals from municipalities, commercial brokers and economic development professionals. Information on location, infrastructure, utilities, employment estimates and costs will be requested. It is vital that these requests are completed quickly and accurately so that the company has easy and fast access to information about a potential site. Completing an RFP in a timely manner, with an eye towards fulfilling company needs, will not only help decision makers determine if a site is viable, it will also impress upon them that your community is serious about bringing in new business.

Does your community have available properties? What kind of infrastructure exists on those sites? Can infrastructure be brought to those sites in anticipation of a company locating there?

How Coverage Ratios Effect LAND USE



At a 30% Coverage Ratio, a 15 acre building requires 50 acres, increasing land use and encouraging sprawl.



At a 65% Coverage Ratio, a 15 acre building requires only 23 acres. In other words, same building, same taxes, but much less land used, thereby reducing the sprawl effect.