



# *Increasing Tax Rateables*

A GUIDE TO BALANCED GROWTH

**Alliance**  
**FOR** Balanced  
**Growth**

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ORANGE COUNTY NEW YORK

A Standing Committee of the  
Orange County Partnership

# *Increasing Tax Rateables*

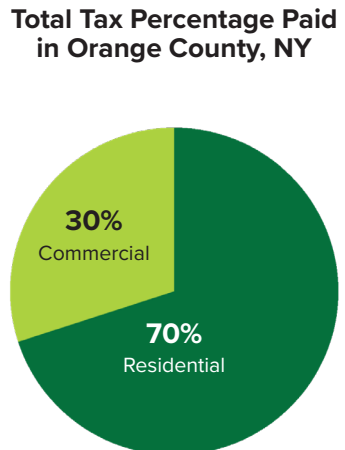
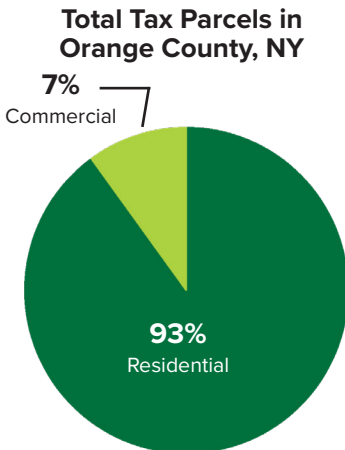
## A GUIDE TO BALANCED GROWTH

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 the 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 educate and advocate for a strong sustainable future.

### *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, services are enhanced and residential tax burdens are offset. Commercial growth improves quality of life by supporting important local community services including schools, fire and emergency services, libraries, dial-a-bus and waste management.

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



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[www.ocpartnership.org](http://www.ocpartnership.org) | 845.294.2323

## *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 businesses? What are your community's assets? Are you located close to a major roadway? Do you have strong infrastructure such as water, sewer, fiber, gas and electric?

- **Speed of Business** - Every company that begins the new site selection process runs on its own internal clock. Top decision makers set an attainable timeline 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 corporate time frames?***

- **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 economic development and attracting 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? Planning ahead can result in a competitive edge.***

## Getting Deals Done

Once a company indicates interest in expanding in your community, how can you best work with that potential employer to ensure success?

- **Predictable Review Process** - Municipal leaders should schedule work session meetings with potential expansion projects to determine what expectations and requirements need to be met for a project to succeed in their community. Open communication and well-designed guidelines for success will 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 will save the time, energy and resources of your planning board and move the project forward in the most practical time frame. Education and communication = value to your community and to the company.

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

- **Reasonable Time Frames** - It's important to remember that expanding companies need full cooperation in order to meet their goals. Unreasonable wait times for meetings and approvals can result in a loss of opportunity. Fast-tracking important projects that meet municipal guidelines will increase job opportunities and tax revenues. Consider defining predictable time frames into your local zoning code. Local zoning codes should define time frames.

***Does your community have available commercial properties? What kind of infrastructure exists on those sites? Preparing ahead by bringing infrastructure to those sites will drive desirable projects to the area that the municipality wants to develop.***

# Supporting Pre-Permitting

One sure way to stay at the forefront of the competitive marketplace is to ensure that your community's available commercial sites are "shovel-ready". Shovel-ready means that all municipal approvals are in place before a company is identified. Pre-permitting streamlines the approval process and erases any uncertainties about a site, positioning your municipality ahead of the competition.

- **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 company 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 economic development community strongly encourage speculative development, generic approvals and pre-permitting. For example: developers such as Frassetto, Bluewater Partners and Matrix planned ahead and made investments that resulted in a shovel-ready product that later attracted notable companies including Amazon, AmerisourceBergen, Amscan and Pratt & Whitney. Great risk can bring great rewards and in these cases, paved the way for millions of square feet, thousands of jobs and new municipal revenues.



# Model Zoning

It is vital to a community's success to plan and zone for priority growth corridors.

*Determining how to grow your community.*

- **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 corridor. 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.

*Do your town boards and planning boards prioritize quality projects by adhering to a predictable and timely approval process?*

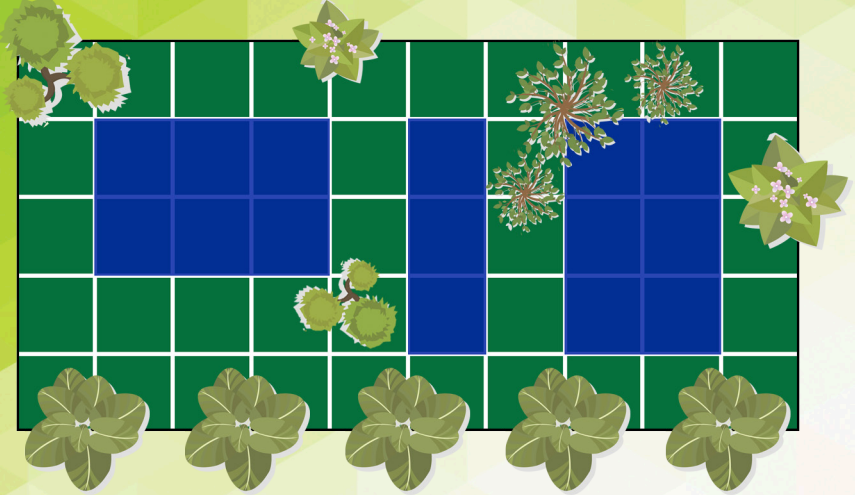
- **Coverage Ratios** - (Tax Rateables) A coverage ratio is the percentage of development allowable on a specific parcel of land. Coverage ratios are determined by zoning practices. Communities around the nation have concluded that concentrating more commercial growth into smaller areas with higher density 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 \$2.00, about \$1.3 million can be generated in tax rateables. The same 50-acre business park with 65% coverage, at the same tax rate, will generate over \$2.8 million in tax rateables. To generate \$2.8 million in taxes with a 30% coverage ratio, your municipality needs to allocate 100 acres of land, (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 municipalities requirements for coverage?***

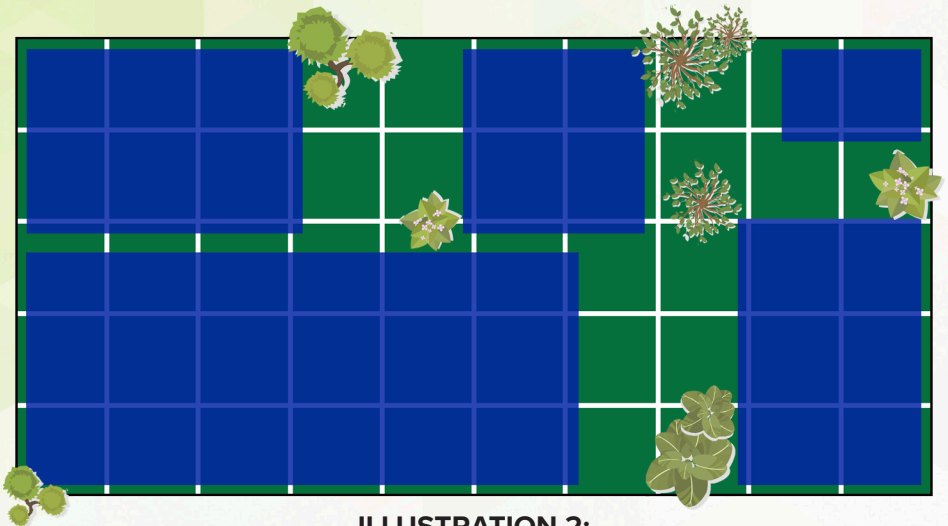
# How Coverage Ratios Affect the Tax Base



**ILLUSTRATION 1:**

**30% Coverage Ratio on 50 acres of land = 15 acres of building**

Using the 30% ratio and an average of \$2.00 per square foot tax rate, the buildings would generate **\$1,306,800** in taxes.



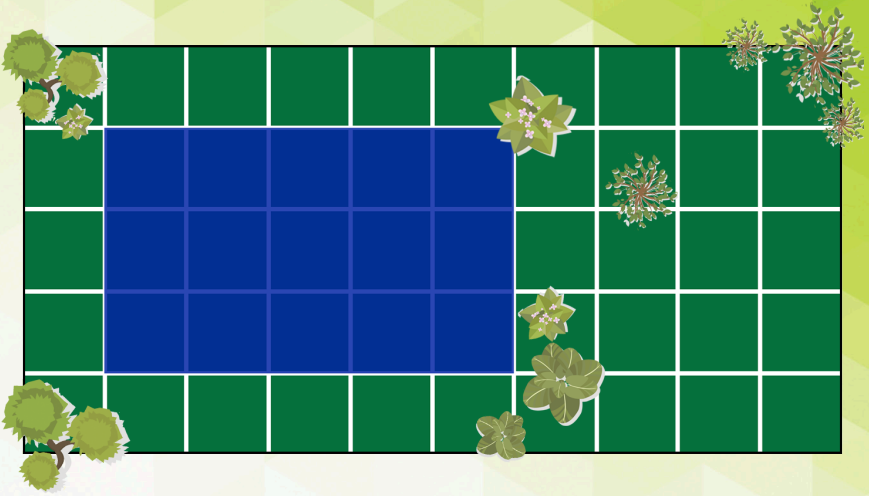
**ILLUSTRATION 2:**

**65% Coverage Ratio on 50 acres of land = 32.5 acres of building**

Using the 65% ratio and an average of \$2.00 per square foot tax rate, the buildings would generate **\$2,831,000** in taxes.

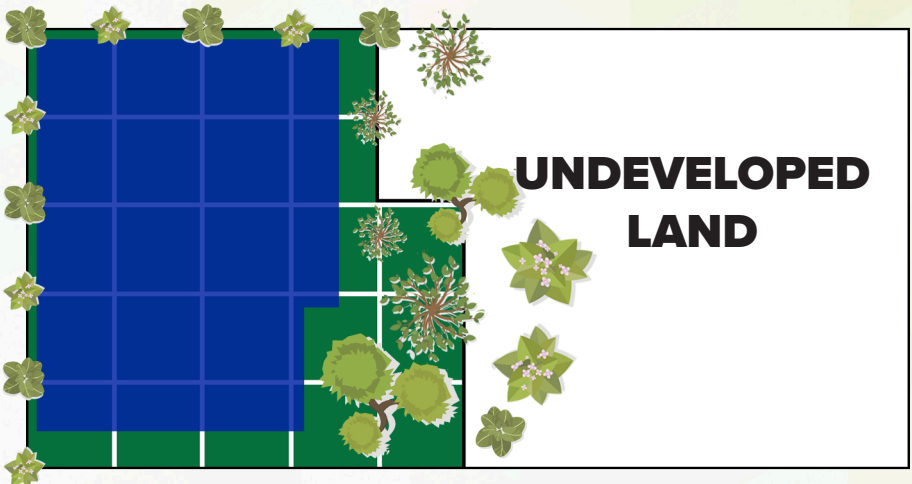


# How Coverage Ratios Effect Land Use



**ILLUSTRATION 3:**

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



**ILLUSTRATION 4:**

At a 65% Coverage Ratio, a 15 acre building requires 23 acres of land decreasing land use.

**In other words, same building, same taxes, but much less land used, thereby reducing the sprawl effect.**

**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.

# Chester Industrial Park

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 Interstate 84 respectively and offer abundant infrastructure. They provide thousands of jobs for residents and millions of dollars in tax revenues for much needed community services.

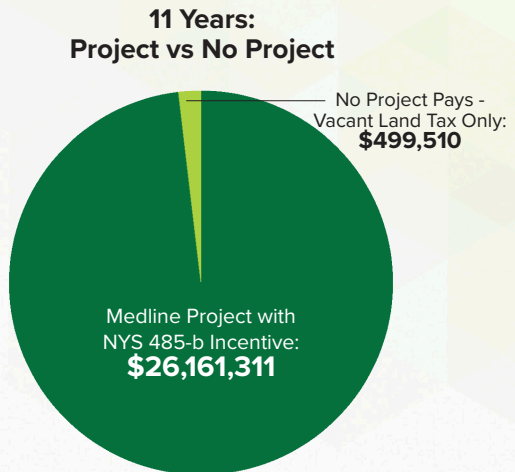
Companies that chose to locate in the Chester Industrial Park have taken advantage of the generous coverage ratio of 50%. The total combined square footage of all existing buildings is 2,380,062. Using \$2.00\* per square foot, tax revenues are estimated at \$4,760,124.

Business Name	Square Feet
1 Pep Boys	404,550
2 Amscan (Elizabeth Dr)	878,010
3 Witz Industries	50,520
4 Steris (Nucifora Blvd)	61,975
5 Brakewell	27,736
6 C&S Wholesale (1 Elizabeth Dr)	211,990
7 Trinity Solar	23,040
8 BYK	61,285
9 Steris (Elizabeth Dr)	116,426
10 Iron Mountain	88,440
11 Community Playthings	101,476
12 C&S Wholesale (14 Elizabeth Dr)	67,605
13 Amscan/Satin Ice (Leone Ln)	287,009
Total	2,380,062
Tax rate per square foot*	x \$2.00
<b>Total taxes paid</b>	<b>\$4,760,124</b>

\*estimated tax rate for example purposes

# The Cost of Inaction

When a municipality stops development, there is a cost associated with inaction. A vacant lot only pays taxes on vacant land. When a structure is built and assessed, taxes flow, jobs are created and the community and school district prosper. Communities that plan ahead for development invest in the economic sustainability of their future. When prime commercial land remains vacant, a community loses millions.





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