

THE TOWN OF CAROLINE ECONOMIC IMPACT REVIEW/ANALYSIS: SUB-GROUP NOTES

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Economic Impact Review (EIR) or Economic Impact Analysis (EIA) is one decision-making tool out of many to support the implementation of The Comprehensive Plan. Learning from experience and the current trend, the Town of Caroline needs a stronger land-use control.

Traditionally Land-Use Control uses zoning as the enforcement tool. However, Joan Jurkowich (Tompkins County Planning and Sustainability Department) mentioned that Land-Use control can be in a very simple form of regulation. It does not have to be zoning. She put it in a very nice way: "we do not need a hammer to kill a flea".

A strong land-use control may be supported by a good ability of the Town of Caroline to formulate a policy development that accommodates experience, current trend, and future vision. This is a good moment for The Town of Caroline because The Town is in the process of finalizing the 2020 Comprehensive Plan.

The Comprehensive Plan mandates action to include Economic Impact Review to provide the Town to have the ability to review significant commercial development.¹ Learning from the Boiceville housing development and Trumansburg experience², the requirement for EIR also applies to new residential development.

EIR/EIA probes whether an existing or proposed economic or construction activities will give an expected advantage or generate problems for the Town. A study that should be conducted by professionals will cover important variables that critical to the local-existing economy such as a change in employment, property tax, and general well-being of residents and local businesses.

The Rotterdam model³ provides an inspiring move by defining the need for Economic Impact Review before zoning decisions by using the term: Critical Impact Uses and Critical Impact Permits. The model

¹ 2020 Town of Caroline Comprehensive Plan (Draft) pp 13.

² Economic and Fiscal Impact Analysis: 46 South Street, Camoin Associates, May 2018

³ Rotterdam - an example of a NY town adopting an EIR in their Zoning Ordinance, NYS-DOS, 2006

suggested that before any zoning decision is done, a town need to conduct an EIR/EIA as the first step of the decision making to allow any new development or business entering a town.

The Town of Caroline has a solid reference: The Comprehensive Plan and it is imperative to use a comprehensive plan to guide the development plan or process in the Town of Caroline. So, in the case of a new initiative of commercial and housing development, the first step to be conducted is a compatibility test of the initiative (commercial or residential development) with the overarching categories in the Comprehensive Plan document. Those are livability, environmental protection and natural resource, and rural character.

A proposal or initiative of commercial or housing development may pass the compatibility test of the Town Comprehensive Plan if the proposal can answer a very critical question. Does the proposal potentially alter those all-embracing categories stated in the Comprehensive Plan? If so, the proposal should be rejected. Otherwise, it is good to go to the next process: the EIR or EIA.

The EIR or EIA as the second layer of filter that must be performed by professionals to examine whether any proposal of development (commercial or housing) will deliver benefit to the town and the benefit should be larger than the current or future cost that might burden the Town.

EIR covers the following steps:⁴

1. Effect on populations and demographic variables.
2. Relate the population and demographic analysis to the needs and cost of public services.
3. Expected taxes and revenues that are potentially generated by the proposed project.
4. Compare the benefit and costs and how to deal with such potential profit or loss.

These steps should be performed by professionals.

How do we know some EIR or EIA is needed? It looks like a single measure as it is mentioned in the Site Plan Review is not enough. The Rotterdam model offers better measurement to decide whether the EIR or EIA is needed.

The following list is taken from the Rotterdam model:

“Any new land-use activity, or the redevelopment of an existing activity with the proposed changes involving the following, shall be hereby defined as a critical impact use:”⁵

- A. The creation or addition of the use of a floor area of minimum 10,000 square feet⁶ contained in all structures associated with the use,
- B. The use of a structure exceeding 60 feet in height, except cell towers or for agricultural purposes.
- C. The creation or addition of employment of more than 20 persons at maximum shift.
- D. The creation or addition of over 25 dwelling units.
- E. The creation or addition of any use providing a maximum seating capacity of over 100 persons.

⁴ Essential Smart Growth Fixes for Rural Planning

⁵ Exact word from Rotterdam model

⁶ From the Town of Caroline Site Plan Review

- F. The creation or addition of any use requiring more than 500 off-street parking spaces.
- G. Any use which would cause estimated sewer flows more than 15,000 gallons per day.

Those numbers mentioned above is just an example. I think it is the job of planner to set the numbers or it might need a study to determine the standard.

Using these multiple measures, any project proposal may be screened to get approval so the proposal may proceed to the next step.

READING LIST

1. 2020 Town of Caroline Comprehensive Plan (Draft)
2. Essential Smart Growth Fixes for Rural Planning
3. A Guide to Retail Studies
4. Rotterdam - an example of a NY town adopting an EIR in their Zoning Ordinance, NYS-DOS, 2006
5. Economic and Fiscal Impact Analysis: 46 South Street, Camoin Associates, May 2018
6. <https://ilsr.org/rule/economic-impact-review/>

APPENDIX A: KEN'S LIST OF VARIABLES TO BE INVESTIGATED BY PROFESSIONAL

Economic Review - Study usually conducted by Professional. Establish a standard that project must meet to go forward.

1. Local business: good or harm that project may do to local business - selling same type of goods for more or less. Selling completely different items. Selling only a few of same items. Year-round item sales.
2. Jobs: gain in jobs vs loss of employment from local businesses. Full vs Part time. Local workers and materials for construction.
3. Wages: prevailing wages (state mandated) vs higher to entice employees.
4. Meet community needs: providing goods and services that underserved populations have no access too. A variety of different items and prices. Will the project contribute to the revenue retention of the local economy? Environmental Justice Statement may be warranted.
5. Taxes: property and school tax. Sales tax.
6. Municipal costs: road repair for municipality. Abandonment costs. Traffic safety. Costs of public and social services.
7. Environmental issues: water runoff, trash collection, climate change. Lessen carbon foot print by shortening trips.
8. Property values: increase or decrease in area around the project?

APPENDIX B: REBECCAS'S SUB-GROUP NOTE OF MEETING

Hi Friends, here are my notes from our meeting last night. I incorporated Yusmin's notes. If these seem to reflect our conversation accurately, then I'll send them to the rest of the group. So let me know if you think anything should be changed.

Thank you, Rebecca

Does an economic impact analysis need to relate to zoning? Why or why not?

Our conclusion from the previous conversation is that EIA doesn't need to relate to zoning, but it can. We can use this tool without zoning.

But it brings us back to the question: what do we want to see in and for our town? What would be assessed in an economic impact review? What are we trying to determine?

Page 10 in comprehensive plan gives us guidance: how do we support and encourage local businesses? Pages 12 and 13 also speak to how the goals of comprehensive plan as outlined seem to directly support the establishment of an economic impact analysis clause, law, or ordinance.

There are other things that came forward in the rest of the literature that also seemed significant. If a business adds employees but those employees are not adequately compensated, that is a negative impact, for example.

Two issues that the readings raised:

What is the threshold that would trigger the economic impact review? What's the criteria/criterion that initiate(s) the analysis? The square footage threshold for Site Plan Review? Or a different criterion? I.e. annual budget of proposed enterprise? Scale of business? Number of employees?

What are the elements that ought to go into the economic impact assessment? What do we care about? I.e. living wage, competition with local enterprises, etc.

Pages 9-12 Essential Smart Growth Fixes for Rural Planning, Zoning, and Development Codes offer concrete guidance.

The purpose of an economic impact analysis is to determine whether the expected benefits of a proposed business venture outweigh the expected harms or detriments of the business. The following queries should/could guide our cost/benefit analysis.

What is the nature of the proposed enterprise? Selling same type of goods already for sale in the town? For more or less? Selling completely different items? Selling only a few of same items? Year-round item sales?

What jobs will be added to the local economy? Gain in jobs vs loss of employment from local businesses? Full vs Part time? Local workers and materials for construction?

Does the enterprise pay a living wage? Prevailing wages (state mandated) vs higher to entice employees. Living Wage standards important for community.

Does the enterprise meet current community needs? Does it aim to meet future community needs? Providing goods and services that underserved populations have no access to? A variety of different items and prices? Will the project contribute to revenue retention in the local economy? Environmental Justice Statement may be warranted.

What tax revenue will the town expect to receive from the proposed enterprise? property and school tax? Sales tax?

What municipal costs will be incurred by this proposed enterprise? road repair for municipality? Abandonment costs? Traffic safety? Costs of public and social services?

What are the ecological impacts of this proposed enterprise? water runoff, trash collection, climate change? Lessen carbon foot prints by shortening trips?

What effect will this enterprise have on Property values? increase or decrease in area around the proposed enterprise? what are the projections over time?

Outstanding questions:

- Is there a difference between 'thresholds' and 'triggers'? What is the threshold that triggers the economic impact review?
- Will an economic impact review analysis fall under the site plan review or be a separate law independent of it?
(If it can stand alone under home rule law, that's where Ken thinks it should be.)
If under the site plan review, that would mean the same threshold or trigger to initiate the analysis.
- Would we restrict an economic impact review only to formula businesses?