Appendix C

A SUMMARY of "POINTERS FOR ECONOMIC DEVELOPMENT"

Prepared by John Shapiro, Consultant
Abeles Phillips Preiss & Shapiro, Inc
March 2003

The Shapiro report contains the observations and analysis of an outside consultant who was retained to assist the Town on economic development issues in its comprehensive planning process. The report was valuable for identifying and providing perspective on issues and contributed to the formulation of the goals and actions of this plan. It does not represent the opinion of the CPSB or the Town. Those recommendations that were accepted by the CPSB are found in Chapters 2 and 3 of the Plan.

A full copy "Pointers for Economic Development" is available on the website www.philipstown2020.org or by calling Town Hall. A summary of the main points of the report, prepared by the CPSB, follows.

Conclusion

Philipstown and the Villages have a particular challenge involving a tightrope walk between economic development and other community values. On one hand, they could easily promote tourism to the hilt, but this may lead to irrevocable changes in the social composition of the Town that might not benefit its current residents, looking to remain in the community. On the other hand, conventional strategies – i.e. strip development and conventionally sited industry, mainly along Route 9– will not generate significant enough economic development value. Ironically, land preservation is the most profitable and least intrusive option from an economic development point of view.

The answer likely lies in what planners and pundits are now calling "smart growth". The question is not whether or not to have tourism, but how to moderate its pace and impacts. The question is not whether or not to have strip development and industry, but how to contain and design it so it is consistent with other community values. The question is not whether to promote or object to further land preservation, but to seek additional compensations (public access, PILOTs) that add to the public benefit, in addition to the fiscal benefits described earlier.

The final question is not whether or not to bemoan the loss of diversity and authenticity, but to put the Town (and Villages) in the forefront regarding progressive affordable housing and taxing policies. These finesses may seem hard based on current fiscal conditions. Nonetheless, rising property values (hence assessments) as well as the Town's highly sophisticated citizenry and non-profit organizations should make it possible, if it can be done anywhere.

Main Street, Cold Spring

Note: The report includes observations and suggestions about Main Street in Cold Spring. While the Village of Cold Spring is independent of Philipstown's planning jurisdiction, it is a primary community center and its economic activity is essential to the Town's vitality. The full report is available at Town Hall or on the website www.philisptown2020.org.

Garrison Landing

Garrison Landing features a MetroNorth train station, historic character, and extraordinary views. But with its steep ascent to the east, it has very little room for development. Any planned expansion of business activity in Garrison Landing would likely be counterproductive. Its charm is its idiosyncrasy. It would be preferable (and more practical, given Garrison Landing's remote location) to let it continue to ebb and flow.

Garrison Hamlet Center

There has been mention of a mixed-use development just north of the intersection of Route 9D and Route 403. From an economic development point of view, there would not be much to gain from additional retail development here. The implication from a survey of residents is that they have chosen Garrison, in spite of the fact that, if not precisely because it has negligible retail and services. This preference for the bucolic should not be taken lightly. However, from a community point of view, there might be substantial gain from modest village-style development.

The relevant features of planned development at the Garrison Hamlet Center could include, for example:

1. Use of a street grid, front porches, small lots, street orientation, recessed parking garages, and other design features to increase the sense of neighborliness.
2. Convenient pedestrian linkages to the existing public school, library, MetroNorth train station, church and other uses to be discussed; this could reduce reliance on transportation and need to own more than one car per family.
3. Supplemental use of the fire station as a community meeting place.
4. A handful of shops, building off of the existing stores and services, anchored by the post office.

(Note that the planned development should not just front Route 9D, but extend to the east and west so as not to be a strip development.)

Route 9 Retail

In a 1997 survey of residents, while 79% have to leave the Town to buy goods and services, 73% were satisfied with the availability of business and services here. This implies that the Town can be highly selective in where and how it accommodates retail development, from a community perspective at least.

For a variety of reasons, the Town would be wise to curtail retail sprawl, either of the strip mall type or haphazard location of businesses. Rather it could establish Business-Rural zoning.

Creating a mixed-use district is another option. In such a district the Town could:

1. Require that Business-Rural development be in residential-scaled buildings, set back from the road, with parking to the rear or side and with discrete signage.
2. Avoid ersatz designs that will appear fake or become dated in short order.
3. Allow offices and live/work in addition to residences.
4. Allow a wider range of retail uses and services that generally do not have high traffic volumes (antique stores, realtors, crafts, etc.).
5. Prohibit retail uses that have high traffic volumes (delis, restaurants, video stores, etc.) with the notable exception of farm stores.

Retail Center

As a complementary measure to reducing sprawl, new retail should be concentrated in a town center rather than a strip mall. Because of the doubling effect of traffic, highway intersections are usually considered for this type of development. Two such intersections, Mekeels Corners at Routes 301 and 9 and Perks Plaza at Fishkill Road and Route 9, are potential sites.

Mekeels Corner

From a market perspective, the first choice location for a retail center is the northwest corner of the intersection of Routes 9 and 301 because it has the greatest visibility and is central to all sections of the community.

Possible here are: retail development; mixed-use development with housing behind the retail; a 'Town Center' with a new Town Hall and recreational facilities. However, as the most visible intersection in Philipstown, a counter-argument can be made to preserve its land and greenery. Whatever the Town decides, it needs to be absolutely clear as to its objectives and guidelines for Mekeels Corners. In terms of image, this is one of the most important places in the town and, thus, it deserves all the affirmative planning and design that the Town can muster.

Perks Plaza

While the present Perks Plaza and the Philipstown Farm Market close by are frequent shopping sites, the Plaza is, to outward appearances, a failure as a retail center. It is poorly maintained; some of its space is used for non-retail purposes or is vacant; the (dangerous) intersection of Fishkill Road and Route 9 is north of the Plaza. However, the New York State Department of Transportation and Putnam County Highway Department may relocate Fishkill Road to Perks Plaza and install a traffic light there. This would unleash the market potential of Perks Plaza. The Town can, however, help to amplify the market response. Potential actions include:

1. The Town could provide financial incentives to upgrade facades, storefronts, landscaping and curb cuts. These incentives could include matching grants and/or graduated increases on any increases in property values.
2. The Town could prepare a Planned Development District (PDD) plan for the area, laying out specific expectations as to curb cuts, landscaping, siting and design of buildings, etc. By making the plan specific, the Town is also making the approvals process faster and more predictable.
3. The PDD plan could promote employee parking to the rear and side of buildings, leaving some of the front for park-like amenities; some feature like a gazebo to give the site a civic identity; continuous sidewalks lined with pedestrian-friendly lighting and shade trees; and more attractive buildings.
4. The Town could impose upon State DOT (Putnam County?) to put in sidewalks and pedestrian-friendly crossings. This should be more possible than people realize, given State DOT's general interest in anticipating controversy, combined with Philipstown's wealthy and well-connected residents.
5. The Town could consider this as the location for any future Town Center, recognizing that the Mekeels Corners site is ultimately a suburban site, while this site can take on the character of a small village node.
6. The Town could, in fact, try to fundraise around the concept of Perks Plaza as a State model in how to re-tool a strip center.

In short, the Town could promote public/private and Town/State partnerships to redesign and reprogram Perks Plaza as a new town center.

Route 9 Industry

Unlike commercial development, older industry generally has little need to project a particular image. Given these qualities, it is not surprising that some residents take a dim view toward these uses. We nevertheless suggest that Route 9 North's industry has had an abiding value and should be generally supported for various reasons. The question shifts then, from whether or not to retain these uses, to how to make them consistent with other community values.

The answer would seem to lie in using carrots and sticks to promote a more attractive corridor without meaningfully impinging upon business practices and profits. Some ideas to be tested are as follows:

1. Create deeper industrial/commercial zoning along Route 9 and then require future industrial and commercial buildings to set back behind thickly landscaped buffers. With such buffers, the Town could afford to be more lenient with regard to building designs. The success of the Lady Blue Devil Lane industrial park demonstrates that such a design format has as much value as building up against the road.
2. Provide an alternative for industry and offices sited closer to, and therefore more visible from, Route 9. In this case, design guidelines should be imposed on the building design as well as the landscaping.
3. Provide the same incentives described above for Perks Plaza with regard to curb cuts, landscaping and other safety and visual improvements.

4. Consider a unified design element. The wooded mountains in the background provide a visual mitigation. A consistent hedge or fence in the foreground could be the other.

5. Be more rigorous with regard to new businesses than existing ones. Incentives are more important for existing businesses which understandably might be chagrined by the 'changing of the rules'. New developers and tenants need not get such consideration.

6. Allow full flexibility with regard to the mix of industry and offices, mindful of environmental and performance standards,.

7. Prohibit retail development as a potential source of sprawl and competition for Perks Plaza and/or Mekeels Corners.

Non-Profits

There are ways to amplify the benefits of the non-profits in the community:

1) They can be a valuable source of clout and talent. This is especially true with regard to lobbying for State and Federal dollars, actions and inactions (e.g., no widening of Route 9).
2) As a specific example: Most of the organizations are located along Route 9D. It is possible that fiber optics have already been put in place along that road. But if not, the non-profits can help to lobby for the service, taking advantage of the cumulative demand that they represent.
3) They could be encouraged to provide even more training, internships, etc. for local students.
4) As a final example, they could be encouraged to make even more purchases locally, taking advantage of Philipstown contractors, florists and caterers.

The Town needs to reach out to these organizations and seek their involvement in economic development.

Home Occupations and Businesses

Given the wide range of home occupations and businesses, and their wide range of impacts, the best regulatory strategy is to focus on performance standards rather than use groups. As examples, the Town might:

1) Define home occupations as uses involving no employees or outward sign of business activity (i.e., home craft or home office) and home businesses as uses that do involve impacts.
2) Allow home occupations in all districts where housing is allowed, subject to tight restrictions on signage, extra parking, exterior lighting, deliveries, etc.
3) Allow home businesses in some or most districts, subject to less restrictive regulations, depending upon the location.
4) Encourage home occupations and businesses in some zones, such as Business-Rural.

To promote the prosperity of home occupations and businesses, the Town and business community might:

1) Continue to employ the Chamber of Commerce web site as a way to promote linkages between home occupations and businesses and all businesses.
2) Produce a business directory to provide greater recognition in the marketplace for home business and occupations.
3) Promote the types of business and services that local residents/workers would like nearby.
4) Promote a conference center in the town.
5) Allow upper floor offices in Cold Spring, Garrison Landing and any other new center built along Route 9.
6) Allow offices in the Route 9 North industrial district.
7) Promote a business incubator with shared conference room and other facilities, perhaps in the former Butterfield Hospital building.
8) Alternatively or in addition, promote such use in connection with any new Town Center development or conference center.

Finally, the Town should stay alert to the business implications presented by evolving technologies.

Hospitality

Philipstown can support a variety of small-scale and unconventional overnight accommodations and should not promote large-scale or high-impact facilities. In general, the Town should be supportive of small-scale accommodations. But it should not do so to the detriment of other planning and economic development principles.

Inns and conference centers are expensive to build and operate and are hard to sustain indefinitely (as are restaurants). The Town – ever vigilant to the quality of each operation – should be wary as to representations that the project is without risk of being under-capitalized and thus that promises will be kept.

B&Bs could be allowed not just in commercial districts but also in residential districts, provided that they meet the same restrictions postulated for other home businesses. Inns and conference centers should be limited to sites with frontage on or at least very easy access to State roads (i.e.Routes 9 and 9D)

PHILIPSTOWNS OVERALL POSITION OF STRENGTH

Jobs

Job creation and upgrading, while important, need not be the prime motivator for economic development. There are job opportunities nearby and the vast majority of Philipstown residents commute. To ease commuting, the Town should support extension of the Bear Mountain Parkway to the Taconic at Yorktown.

Tax Rates

Philipstown falls in the middle in terms of taxes, with Westchester's rates higher and Dutchess' rates lower. While the Town relies on residential property tax for 79% of its income, increasing its non-residential tax base, even by 50%, would not change that percentage substantially.

However, there is some basis for complaint about taxes. Taxes are unequal within the Town, in large part because of the difference between Haldane and Garrison school tax rates - (52% of Philipstown households do not have children). Escalating property values has put a special strain on people with fixed incomes.

There is no tax crisis in Philipstown; and the Town's response to its tax problems can be measured – specifically aimed at dealing with the complaints of long-term residents in general and seniors in particular. This can take the form of continued tax forgiveness for seniors. If legal and practical, it might also take the form of graduated tax increases in connection with future reassessments, exclusive of re-sales, which could be subject to full assessment.

Property not subject to taxes

The greatest tax-related controversy apparently has to do with the large amount of land that is not subject to taxes. Forty-seven percent of the land outside of the Villages is non-taxed – 30% held by the State; 17% held as preserved acres; 4% used for charitable or religious purposes. The State makes payments in lieu of taxes (PILOTs) well under the assessed value of the land it holds. The State should make fair payments to Philipstown. Due to benefits from non-profits discussed earlier the Town should continue to forgo PILOTs on charitable and preserved land in most cases.

Comparative Tax Advantage of Different Uses

Residences generally generate more tax expenditures than revenues, due to the fact that the biggest tax bill is for school age children. But there are nuances. Senior citizen housing and smaller condominiums are generally revenue neutral – with tax revenues approximating tax expenditures. Second homes generate more tax revenue than expenditures.

Commercial development traditionally generates two or three times as much revenue as expenditure. Commercial development is generally more valuable than industrial development, per acre.

Agricultural (including land set aside for logging), preserved land (including land dedicated to land trusts) and institutional property (including churches) – in aggregate – generally generate more tax revenues than expenditures.

It is in the Town's interest to maximize open space, even if it is taken off the tax roll as a result. It discourages additional residential development and some of it (agriculture) produces revenue.

Public Opinion

The silent majority of residents appear to concur with the conclusion that, while economic development is desired, it should not be at the expense of other community values. Thus, Philipstown is in the enviable position – both from a tax point of view and an accountability point of view – of being selective in how it pursues economic development.

Economic Development and Authenticity

In light of the Town's position of strength with regard to jobs, taxes and public opinion, economic development need not follow the conventional route of job creation/retention and tax ratable development. Instead, a more paramount economic development objective was identified that is unique in our (Shapiro's) experience: authenticity. The Economic Development Work Group stated that "Our population 'mix' of blue color, white color, entrepreneur and retiree is as vital to Philipstown as is our scenic beauty. This mix gives us our volunteers, our diversity of opinion, our local workforce and, frankly, our charm."

This provides a compelling argument for affordable housing strategies, not tax ratable development, even though this will increase the burden on local schools and services. In addition to targeted tax relief for seniors, potential strategies include promotion of accessory housing, cluster development, above-store apartments, multi-family housing and other housing models that, unlike large lot development, address the housing needs of people with more modest means.

Tourism

If indeed the Town wanted to maximize its economic development potential, the most effective way would be to promote tourism. The Town and Villages could join forces with Beacon and Peekskill to create a multi-town promotional campaign, emphasizing year-round cultural attractions. The Town and Villages could also try to link up with West Point Military Academy, as a joint attraction.

The best tourism strategy for the Town may be benign neglect –bolstering Philipstown's status as a well-kept secret, thereby avoiding the 'trophy home' and gentrification that infected places such as the Hamptons. What the Town and Villages may lose in tax revenue, they may gain in sustainability as an attractive place to visit *and* live.