

Presentation:
Support for Zoning Regulation Amendment ATG-2

To:
Zoning Commission

Date:
March 21, 2011

By:
Canton Economic Development Agency

Zoning Amendment Supports **Significant Economic Investment**

- **Economic Investment** is the process of creating more money through use of Capital or Assets.
- Zoning amendment supports development, which will result in Significant Economic Investment.
- Estimated Tax Revenue from Development:
 - **\$197,000** from town fees (e.g. permitting, etc...) and;
 - **\$236,000** - minimum annual property tax revenue.

Value of development to the town **\$3,379,000**¹

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- Unified Parcel Planning
 - The amendment makes possible a design, which anticipates the future development of the adjacent Sussman property, thereby improving returns on economic investment through economies of scale.

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- Adds Intrinsic Value
 - Improvements to Rt. 44 and Lawton Road intersection improves traffic flow supporting additional economic activity and;
 - Extension of utility infrastructure provides opportunity for additional economic investment, thereby increasing contributions to our tax base.
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By all accounts and measures, the zoning amendment will make possible significant economic investment resulting in significant tax revenue for the benefit of Canton residents.

¹ Total value is the net present value (NPV) of revenue for a 15 year period.

Zoning Amendment Serves the Best Interest of Our Town as a Whole

- Budget Concerns
 - FY12 Department Head Budget - **\$11,904,000**
 - FY12 CAO Budget - **\$9,314,000**
 - CAO's budget **defers 22% (\$2,590,000)** of the required funding for town service due to the concerns of **increasing taxes** on town residence during continued difficult economic conditions.
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- Deferment of Roadway Maintenance
 - Is a public safety matter
 - Requires annual funding of \$1,700,000/year for the next 10 years
 - Proposed funding for FY12 - \$320,000 or 18.8% of what is required
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- Fund Improvements to Lawton and Washburn
 - Safety concerns on Lawton and Washburn will exist with or without this project
 - Approving the amendment to support the economic investment will generate tax revenue, which can be used to fund projects addressing the safety concerns on those roads.
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By all accounts and measures, the amendment to zoning will be in the best interest of all Canton residents, including the residents on Lawton and Washburn.

Zoning Amendment Supports Development Recommended By the POCD

- POCD Recommendation - Strong Economic Growth
 - Canton's Development History
 - Proposed Commercial Development - 2005
 1. 277 Albany – Collinsville Savings Society Bank 4,000 sf **Constructed**
 2. 101 & 107 Albany - 30,000 sf retail/rest. **NOT Constructed**
 3. 115 Albany/Lawton Rd – Konover Dev. 60,000 & 4,500 sf retail **NOT Constructed**
 4. 232 Albany - proposed gas station/store 3,500 sf building **NOT Constructed**
 5. 375 Albany - proposed 4,000 sf model home and 1,500 sf office. **NOT Constructed**
 - Proposed Commercial Development - 2006
 6. 115 Albany/Lawton Rd – Konover Resize building 7,000 sf retail **NOT Constructed**
 - Proposed Commercial Development - 2007
 7. 15 Canton Springs Rd – rebuild 7,000 sf. for dog day care facility **Constructed**
 8. 352-356 Albany – Joni's Child Day Care facility – **Constructed**
 - Proposed Commercial Development - 2008
 9. 3 Albany – Lowes 120,000 sf building and 27,000 sf garden center. **NOT Constructed**
 10. 361 Albany – 22,000 sf office/retail complex. **NOT Constructed**
 11. 99 Michael Drive – 7,200 sf building Suburban Sanitation – **NOT Constructed**
 12. 250 Albany – 3,000 sf building & 8,000 sf building retail/rest. **Partial Construction**
 - Proposed Commercial Development - 2010
 13. 10 Dyer Cemetery Road – Car Wash Facility – **NOT Constructed**
 14. 5 Cherry Brook Road – 46 single family affordable housing units **NOT Constructed**
 - 3 of the 14 proposed developments resulted in tax revenue
 - Stated another way, Canton has experienced a 21% development success rate over the last 5 years
 - The zoning amendment makes changes to improve the success rate of the proposed development project, fulfilling recommendations in the POCD
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By all accounts and measures, the zoning amendment supports recommendations of the POCD.

Town of Canton 2009 Cost of Community Services Presentation

What is the purpose of conducting a Cost of Community Services study?

It is a simple method, developed by the American Farmland Trust, to assess how different types of land use affect a community's fiscal position by comparing annual tax revenues to annual expenses of public services for the various land use categories.

The method is a snap-shot of net fiscal costs of broad land use categories at a specific point in time.

Basically it apportions costs of town services to the respective land use which consume the services.

For example, education costs are exclusively used or consumed by residential properties and therefore apportioned only to residential properties.

The output or result of the study is a revenue : cost ratio for each land use category.

What the ratio tells us is that for every dollar of revenue collected, x number of dollars are spent to provide the services to the respective land use category.

Town of Canton 2009 Cost of Community Services Results

	Residential	Commercial	Industrial	Vacant	Public Utility	Farm	Forest	Open Space
Total Revenues Collected	\$28,667,268	\$4,606,711	\$260,014	\$29,546	\$4,617	\$19,071	\$5,458	\$20,813
Total Expenditures for Services	\$31,383,137	\$1,483,625	\$83,739	\$9,516	\$1,487	\$6,142	\$1,758	\$6,725
COCS Ratio	1 : 1.095	1 : 0.322	1 : 0.322	1 : 0.322	1 : 0.322	1 : 0.322	1 : 0.322	1 : 0.323

Notes

1. Expense distribution based on tax base percentage calculated for '2009 Real Estate Assessments', except as noted.
EDA should continue to review these distributions and make adjustments as necessary
2. All revenues are distribution based on tax base percentage calculated for the '2009 RealEstate Assessments.'

Steps to use Cost of Community Services Model

A. Calculation of the Tax Basis (TB) for landuse =

(Total Grandlist Assessment / Land Use Assessment)

TB = TGA/LUA

B. Calculate Expense and Revenue distributions based on land use, if they are different from Tax Basis on Expense and Revenue distribution sheets.

C. Update catagories and the respective sums on General Fund Expense Dist and General Fund Revenue Dist sheets

D. Review Ratios

Town of Canton 2009 Cost of Community Services Results

Assessment Code	Assessment Category	# of Accounts	# of Units	Total Assessment Value	Tax Base %
Residential Land Use					
11	Res Dwelling Lot	3,215	3,784.76	\$ 243,071,000	24.27%
12	Res Excess Acreage	1,659	2,698.99	\$ 5,449,620	0.54%
13	Res Dwellings	2,991	3,011.96	\$ 497,284,330	49.65%
14	Res Outbuildings	1,604	2,408.00	\$ 10,396,830	1.04%
15	Res Condominiums	676	676.00	\$ 97,984,060	9.78%
Residential Totals		10,145	12,580	\$854,185,840	85.28%
Commercial Land Use					
21	Com Land	177	748.98	\$ 39,892,420	3.98%
22	Com Buildings	159	201.00	\$ 83,599,050	8.35%
23	Com Apartments	10	13.00	\$ 6,680,530	0.67%
24	Com Condominiums	7	8.00	\$ 4,399,670	0.44%
25	Com Outbuilding	118	161.00	\$ 1,528,140	0.15%
26	Com Land (Apt. Bldg.)	2	20.79	\$ 1,164,350	0.12%
Commercial Totals		473	1,153	\$137,264,160	13.70%
31	Ind Land	7	16.53	\$ 637,420	0.06%
32	Ind Buildings	3	3.00	\$ 1,492,020	0.15%
33	Ind Improvements	2	2.00	\$ 13,580	0.00%
34	Ind Condominiums	11	14.00	\$ 5,604,500	0.56%
Industrial Totals		23	36	\$7,747,520	0.77%
Public Utility Land Use					
41	PU Land	5	2.50	\$ 118,340	0.01%
43	PU Outbuildings	1	1.00	\$ 19,240	0.00%
Public Utility Totals		6	4	\$137,580	0.01%
Vacant Land Use					
51	Vacant Res Land	41	107.95	\$ 374,670	0.04%
52	Vacant Com Land	40	125.11	\$ 316,810	0.03%
53	Vacant Ind Land	6	25.58	\$ 53,720	0.01%
54	Vacant Wetlands	1	59.00	\$ 123,900	0.01%
55	Vacant Outbuildings	1	3.00	\$ 11,270	0.00%
Vacant Totals		89	321	\$880,370	0.09%
Farm Land Use					
61	Farm	82	1,990	\$ 568,240	0.06%
Forest Land Use					
62	Forest	49	1,659	\$ 162,630	0.02%
Open Space Land Use					
63	Open Space	151	1,113	\$ 622,220	0.06%
Land Use Totals					
Total		11,018	18,855	\$1,001,568,560	100.00%

		Pharmacy	Small Building	Large Building	Total
TYPE OF FEE	DESCRIPTION	AMOUNT	AMOUNT	AMOUNT	AMOUNT
BUILDING PERMITS	\$14/\$1000 OF MARKET VAL.	15,000	5,000	44,500	64,500
WPCA SEWER HOOKUP	PER SCHEDULE	27,384	9,128	81,238	117,750
HEALTH DEPT.	INSIGNIFICANT				
TOWN CLERK RECORD.		1,395	465	4,140	6,000
CONVEYANCE TAX	.0025 OF PURCHASE PRICE	4,000	0	0	4,000
LAND USE FEES	PER SCHEDULE	1,162	388	3,450	5,000
TOTAL INITIAL FEES		48,941	14981	133,328	197,250
Building permit fees were calculated on the basis of \$75/sq.ft for the pharmacy and large building, and a lower, \$45/sq. ft. for the small building which assumes that building will be used for a restaurant.					
Town clerk recording fees and land use fees are rough estimates, and will be further refined.					
Sewer hookup fees are based upon actual estimates from the Town					
Conveyance fees are for the sale of the pharmacy upon its completion.					
Town Clerk fees, land use fees, and sewer hook up fees are apportioned to specific buildings based upon square footage as follows:					
	Pharmacy	15,000 sq. ft.			
	Small Building	5,000			
	Big Building	44,500			
	Total	64,500 sq. ft.			