

DRAFT

Summary of Stakeholder Meeting
November 13, 2008

Economic Development Working Group

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Promotion

The effort to build attendance used multiple approaches: press release in PCNR (*Putnam County News and Recorder*), ads in two weeks of PCNR, letter to the editor of PCNR, a flyer/poster posted in prominent locations, a mailing to both business and general stakeholders including a letter and the same flyer/poster, and personal contacts by members of the Working Group.

Based on the benefit of a provocative message to attract people, the lead theme was “Is Main Street Necessary?” with the subtitles “What does it take for Cold Spring to thrive? For a business to thrive here?” The balance of the communications made clear that the topic was far broader than Main Street’s existence. The flyer and other communications said that the stakeholder meeting was to be “For all who have a stake in the economic vitality of Cold Spring—residents, property owners, customers, landlords, employees, business owners, realtors, public officials.”

Each member of the Working Group was asked to contact 10 people personally—by phone, email, or in person. Some had specific assignments of individuals or key groups to contact such as realtors.

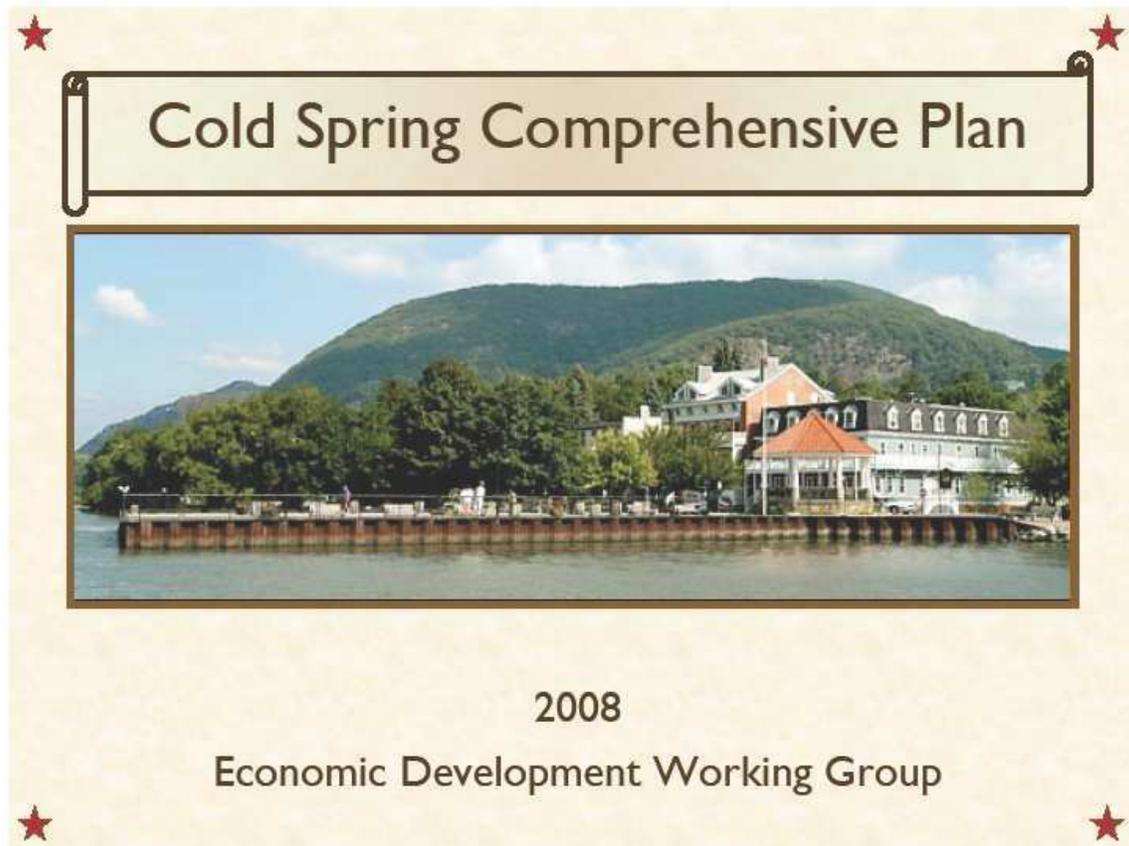
Attendance

Headcounts indicated 65-76 attended. The sign-in sheets totaled 52 but did not include the many members of the Village Board, the Special Board, and this Working Group who were present. The strong attendance was stimulated by the provocative title “Is Main Street Necessary?” which aroused the Main Street merchants in particular, although others came as well. For the first time, stakeholders from outside the village came, such as non-resident business owners who had previously been discouraged from participation.

The audience was very attentive, and they seemed to feel it was worthwhile. The plan had been for more public participation, and it might have been desirable, but there was a productive SWOT discussion (see below), and participants indicated that they had learned from the presentations.

Power Point Slides

A series of slides framed the discussion. Attention was focused on many of them, but others were quickly scanned due to tight time, in order to allow for attention to the hand-outs and the SWOT discussion (see below). To view the slides, click on the image below.



Discussion of SWOT (Strengths, Weaknesses, Opportunities, Threats)

The following shows the many valuable ideas generated in the discussion:

Weaknesses	
<ul style="list-style-type: none"> • High property taxes • Lack of overnight accommodations • No access for large boats • Inadequate lighting on Main Street • Power lines on Main Street (exposed utility poles) • Lumpy sidewalks 	<ul style="list-style-type: none"> • Limited street parking (west of 9D) • Off-street parking requirements (for some businesses) • Relationship of businesses to residents • Relationship of officials to residents • Inadequate youth activities (in Village) / no youth center
Strengths	
<ul style="list-style-type: none"> • Diversity of business (relative to size of Village) • Number of businesses • Nature of businesses (e.g. Country Goose) • Close knit community feel • Safety of community • Dedication of board members • Involved community (e.g. meeting participants) • Strong zoning code, Historic District • Good schools • Generations of families here • Active volunteer base • Fire Department (volunteer) • Keep community as is 	<ul style="list-style-type: none"> • History of area • Access to river • Access to trains (MTA) • Can live without automobile • Closeness to highways • Proximity to river and NYC; physical location • Nature of surrounding area, scenic • State parks, land preserves • Hiking • River as untapped resource • Chestnut as new Main Street for the 21st century • Abundant parking

Threats	
<ul style="list-style-type: none"> • County taxes • Future development of Dutchess Mall location • High fuel costs • Competition (e.g. other villages) • Closing Main Street • Uncontrolled growth in surrounding areas • Indian Point • Pollution of river • Decrease in volunteerism 	<ul style="list-style-type: none"> • 5-minute drive to WalMart • Inclement weather • The economy! • High rents • Too few owners of commercial space, property • Internet, e-commerce

Opportunities	
<ul style="list-style-type: none"> • Thriving waterfront • Extend business zone, wider along Main Street (north and south) • West Point visitors • Bike paths • Tidal power for energy • Subdivide homes, rent apartments, rooms • Shared services, shared schools • Unified Western Putnam school district • Collect Nelsonville garbage • Make C.S. a fair trade destination • Cooperate with neighbors, e.g., Hudson Valley co-op • Home occupations (also threat if unknown – need to control types) • Review and revise Village codes and historical guidelines • Move village garage, use site for higher value opportunity 	<ul style="list-style-type: none"> • More overnight accommodations • Services for hikers, bikers, boaters (all outdoor enthusiasts) • Trolley: need to optimize, improve (e.g. hikers to trail heads) • Tie ferry to West Point; coordinate with Metro-North schedule • More senior housing • Association of B&Bs for group purchasing, booking reservations, insurance • Food and beverages at train station, opportunity to spend discretionary funds • Corporate Responsibility Officer (CRO), attraction to C.S. e.g. as “green” • Green, sustainable business and Village • Internet

VILLAGE OF COLD SPRING EMPLOYMENT REPORT
 Prepared by Economic Development Working Group
 For Comprehensive Plan/LWRP

November 2008

Jobs in Cold Spring broken down by where employees live:*

	CS	Phil	Put	OC	Total
Main Street					
Max	82	53	5	115	255
Min	70	48	5	87	210
Lower Main Street	7	6	3	51	67
Chestnut Street	58	27	0	77	162
Haldane School	35	32	11	87	165
Total					
Max	182	118	19	330	649
Min	170	113	19	302	604

KEY:

CS: Village of Cold Spring

Phil: Outside Village, but in Philipstown

Put: Outside Philipstown, but in Putnam County

OC: Outside Putnam County

Observations:

- i. Approximately 650 jobs in the Village of Cold Spring (max)
- ii. Top five employers: Haldane School, Foodtown, Hudson House, Depot Restaurant, Tim Miller Associates
- iii. Without Haldane(649-165=484), more than 1/2 (255, 53%) are on Main Street and 1/3 (162, 33.5%) are on Chestnut.
- iv. Some seasonality on Main Street (nearly 20% decline from max to min, 255-210=45=17.6% rounded up)
- v. Approximately 30% of the available jobs in Cold Spring are filled by village residents (182/649=28% rounded up)
- vi. Another 20% of the available jobs are filled by residents of Philipstown (118/649=18.2% rounded up)
- vii. Approximately 50% of the available jobs are filled by residents of another county, primarily Dutchess (330/649=50.8%)

* Data obtained by asking employers. Some is approximate. Both full and part-time employees are included. A few more may still be added, such as employees of the Village itself.

BUSINESS IN COLD SPRING

Retail

- Antiques/used: clothing, goods
- New goods: clothing, goods (incl. florist)

Food

- Deli/bakery
- Convenience store
- Grocery
- Restaurants

Lodging, B&Bs

Motor services

- Gas stations
- Auto service
- Motor repair/tractor repair

Banks/financial services

- Insurance

Professional services/offices

- Medical, dental, veterinarian
- Legal, architect, accountant

Other services

- Hair and nail salons
- Dance studio, spas, exercise studio
- Dry cleaner
- Dog groomer

Home offices (unable to document)

e.g. Contractors, writers, graphic and web designers, videographers, photographers

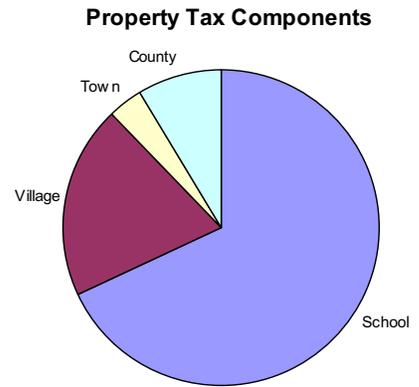
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UNDERSTANDING VILLAGE TAXES: Highlights November 2008*

Tax Rate per \$1000 assessed value	<u>2008-9</u>	<u>2007-8</u>	<u>2006-7</u>
Village of Cold Spring **	9.565	8.697	8.206
Town (Village residents)	1.598	1.56	1.43
Putnam County	4.678	3.73	3.09
Haldane School District	31.331	30.015	27.915

** Village includes Firemen’s Service Award

Thus school taxes represent approx 68% of the property tax bill for Village residents, while Village taxes are almost 20%, County taxes are approx 8.5%, and Philipstown taxes (for Village residents) are approx 3.5%.



Village Revenues from Property Taxes

- Approx. 81% of budget comes from property taxes for Fiscal Year June 2008 – May 2009.
- Total general fund expenditures are estimated to be \$1,641,143 for the same FY.

Village Revenues Other Than Taxation

- Approx. 19% of budget comes from a combination of fines/forfeited bail, mortgage tax, assorted fees/permits/licenses & usage charges, highway aid, other smaller items.

Sales Tax Potential

Unlike 43 of 57 NY counties, Putnam County has no sharing of sales tax revenue with local governments. Instead, the County provides shared services (e.g. highway salt, tourism support, library funds). Some think the shared services are not worth as much as the sales tax generated in the Village, which is a large share of the \$545,000 the County got from sales tax for zip code 10516 in a recent year. But there is a question whether change is feasible in the current economic climate.

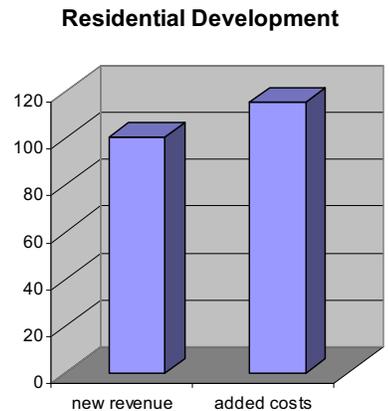
Controlling the Property Tax Burden

It is commonly believed that new homes increase the tax base and thus lower the burden on taxpayers. However, studies show that residential development costs communities more in services than they gain in revenue, with the largest cost being for schooling. For example, a study of 21 towns found that for every increase in revenue of \$100 from housing, there was a cost increase of \$115.

Partial solutions to consider:

- Local development that increases the tax base without increasing school enrollment or other large service needs, e.g. offices, B&Bs.
- Other revenue sources, e.g. possible room tax for overnight accommodations.

A NYS Commission on Property Tax Relief is scheduled to make final recommendations to the Governor by December 2008.



ECONOMIC DEVELOPMENT WORKSHEET -- IDEAS

Do you have a good idea for the village economy? Test it using the measurements below. If it meets the below criteria, we may have our answer. If not, then it's likely the idea may only waste precious resources. Please send your ideas and completed worksheets to Cold Spring Econ Dev, c/o Marshall Mermell, 292 Main Street, Nelsonville, NY 10516

TERMS AND TOOLS

Discretionary Income: Canary In The Coalmine

Discretionary income is what you have left after paying rent, car payment, gas, heating fuel, insurance, taxes, food, etc. It's what allows you to go out for dinner, buy new clothes, go shopping in December, save for retirement, etc. But when any of the other expenses go up, discretionary income goes down. You eat out less, buy less.

So the question is what can we do to increase discretionary income because when your discretionary income goes up, it's good for all of us (you eat out, buy things from shops, keep Main Street alive). It's also likely that if you come up with an idea that increases your discretionary income, it's going to increase everyone else's also. What's good for your wallet is good for mine. Here's the formula: Discretionary income = Income minus taxes and necessities.

How can your idea increase discretionary income? Or, which costs (fuel, taxes, etc.) can we reduce in order to bring about an increase in discretionary income?

Village Revenues (Non-Property Tax)

This applies to the village, town, county and school. Increasing these revenues decreases your tax burden and increases discretionary spending which in turn fuels the economy.

How can we increase these revenues?

High Asset Utilization: Better, Not More

This number tells you "what you can do with what you've got", i.e. how much revenue the village or a business can derive from a building or resources, how much pleasure you can derive from a period of time. The calculation is useful because it encourages you to make the most of what you have before you spend more. So the question to ask is, how do we make the most use of that asset or resource?

A policy of high asset utilization can improve how we use a limited resource, money. This is how it's expressed as a formula: $\text{return on assets} = \text{income} / \text{total assets}$. That return can be calculated in terms of money or quality of life.

Where do you see opportunities to increase asset utilization?

Return On Investment: Investing versus Spending

This is a simple idea: When you spend the money goes out the door and never comes back.

When you invest, the money comes back to you. Spending is a luxury, investing wise.

We all have long wish lists, long list of things we'd like, but it can be foolish, even reckless, ask the village to send money out the door before it has made a few wise investments.

Here's the formula: Return on investment = (income – expense)/ expense. If you buy a store for 100k and it makes 120k in profit over the next couple years, then the return on investment was 20%.

Vacancy Rates

How can we lower them? What business models will work here? Can we lower fixed costs?

Adopt policies to attract more businesses?

Foot traffic

Foot traffic is just what you think it is: people on the street, whether visitors or local population.

From a business perspective it represents potential customers. It might even be represented by this formula: foot traffic times penetration rate equal number of customers.

And how many potential customers are necessary for a business to cover its costs? A person thinking about opening a business here is going to look at that number to see if it's feasible.

So what is behind our low foot traffic? And how can we increase it? There are only two variables, population and the number of visitors. Increasing either number will increase foot traffic. However, the groups will support different types of businesses and this must be considered if having businesses relevant to residents.

Do we have sufficient foot traffic to support your idea? Or how will your idea increase foot traffic?

IDEA DESCRIPTION:	Will Positively Impact?		Comment
	Yes	No	
High Asset Utilization			
Return On Investment			
Foot Traffic			
Vacancy Rates			
Non-Property Tax Revenues			
Housing Values			
Investing Climate			
Transparency Of Village Gov			
Other			

CHECKLIST:

- Does the idea satisfy any of the considerations above?
- Does the idea address any of the weaknesses discussed in the SWOT analysis?
- If the purpose of the idea is to attract visitors, does it appeal to a desired demographic?
- Will the idea lower an existing expense (taxes, fuel, insurance, etc)?
- Will it foster strong property values?
- Will it increase the total spending in the village?
- In the case of a business idea, will employees of that business be able to afford to live in Cold Spring? Will those employees have sufficient discretionary income to shop in the village? Or will they add to the village's costs?
- Can the idea survive in the face of competition (ie, big box stores or the internet)?
- Is there a good reason such a business doesn't currently exist?
- Will it increase quality of life? Or fill a unsatisfied need?
- Will the idea bring new efficiencies to the village or its businesses? Or will it provide a structure that will make new efficiencies possible?