

# Beacon Cost of Services Study

Final Report

Prepared for:

City of Beacon  
Comprehensive Plan Commission

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## **ACKNOWLEDGEMENTS**

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## **TABLE OF CONTENTS**

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Acknowledgements .....	1
Table of Contents .....	1
Introduction .....	2
1.1 Prototype Development Scenarios.....	2
1.2 Population Impact Projections .....	4
1.3 Fiscal Impacts of Development.....	6
1.4 Conclusions.....	11
Appendix: Detailed Fiscal Impact Spreadsheets.....	13

## **INTRODUCTION**

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The City of Beacon is experiencing a downtown revival and overall growth, driven in part by its commuter rail access to New York City, its scenic location on the Hudson River, and the recently-opened art museum, Dia-Beacon, among other assets. But, like many municipalities in rapidly growing Dutchess County, Beacon is struggling to leverage its historic small-town character with inevitable development. In an effort to foster development while ensuring Beacon remains a great place to live and work, Beacon is updating its Comprehensive Plan.

With little land left to build upon, the City realizes its new plan must balance the amount, type, and location of growth. One method of analyzing this balance is fiscal impact analysis, which describes how different types of development affect the ability of the City and local service districts (e.g. the schools) to provide adequate and cost-effective services.

Recognizing that fiscal impact analysis can provide one tool for optimizing future land use patterns, the City has asked Phillips Preiss Shapiro Associates (PPSA) to prepare a cost of services study for several categories of land use that are expected to be significant development types in the near future. These land uses include: the conversion of large home sites into single-family subdivisions, new townhouse development on infill sites, multi-story mixed-use development on Main Street, and the adaptive reuse of several old mill buildings along the Fishkill Creek.

PPSA has completed its engagement, and the resulting fiscal impact analysis is intended to help the Comprehensive Plan Committee arrive at a workable and optimal pattern for future land use. The analysis utilized data from numerous sources, including the City and School budgets, current population, employment, and student enrollment figures, and current real estate market values and property assessments. For demographic multipliers (e.g. number of children per development type), PPSA utilized multipliers we recently developed using the Public Use Microdata Samples from the 2000 Census of Dutchess/Putnam Counties.

Those data inputs were entered into a series of spreadsheets analyzing each of the identified use prototypes. The spreadsheets projected revenues based on estimated assessed values and current tax rates; and projected costs based on current per capita/per worker/per pupil public expenditures.

### **1.1 PROTOTYPE DEVELOPMENT SCENARIOS**

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This brief report summarizes PPSA's findings as to the fiscal impacts, on both the City and the School, of eight different prototype development projects. These prototypes were developed in cooperation with the Committee and are intended to represent possible (not probable)

development scenarios within the City, based upon current land use, available land, and broader market trends.

The scenarios were proposed by PPSA and based upon our knowledge of recent proposed projects, typical projects, and land capacity. The Comprehensive Plan Committee, the City Building Department, and the consultants preparing the Comprehensive Plan concurred that these were reasonable scenarios to test. The eight prototypes are shown in Table 1.

**Table 1: Development Prototypes Tested**

Prototype	Description	Residential Units	Size: Bedrooms and/or Commercial Area
A	Single-family residential development, 2-acre lots	1 unit	4+BR
B	Single-family residential development on ½ acre lots	1 unit	3BR
C	Townhouse development	1 unit	2BR
D	Loft apartment development	1 unit	2BR
E	Office building	20,000 sf	n/a
F	Retail building	20,000 sf	n/a
G	Downtown mixed-use	4 units	4 2BR units 1,500 sf commercial
H	Mill building mixed-use	50 units	20 1BR units 20 2BR units 10 3BR units 50,000 sf commercial

*Source: Phillips Preiss Shapiro Associates, Inc. 2006*

For each of the residential prototypes, PPSA studied the impact of a single housing unit. The commercial properties, prototypes E, F, G, and H, we analyzed the impacts of a reasonably-developable amount of commercial space and/or residential units. For example, for prototype G, we assumed that a typical Main Street building would be five-stories, with a 1,500 square foot floorplate and four floors of residential space, meaning it could reasonably accommodate four two-bedroom units. For the mill building re-use, prototype H, we assumed a large industrial space could be converted to a substantial mixed-use project with a significant amount of commercial space and a large number of residential units (similar projects have actually been proposed in Beacon).

Because each residential unit will generate different costs and revenues depending upon the total number of persons and schoolchildren in each, it was important to distinguish the number of bedrooms (and therefore people) associated with each unit. We assumed that the unit sizes would reflect the most prevalent sizes occurring in new developments in the area. For example,

single-family homes on two-acre lots are generally not less than four bedrooms, smaller single-family homes generally are built with three bedrooms, and so on. For prototypes G and H, we assumed a reasonably-developable mix of units sizes (e.g. a mix of one bedroom, two bedroom, and three-bedroom units).

## 1.2 POPULATION IMPACT PROJECTIONS

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Using the prototype development scenarios discussed above, this section discusses the impacts in terms of population and schoolchildren.

### 1.2.1 Demographic Projections

The process of converting these housing unit projections into demographic impacts involves the construction of demographic multipliers relating housing type and size to the average characteristics of inhabitants. The analysis here focuses on total population and school-age population subdivided by grade level. The purpose is to analyze the impacts on both public services and the Beacon Central School District.

The construction of the multipliers was based on a sophisticated analysis of the Public Use Microdata Samples from the 2000 Census for Dutchess and Putnam Counties. Unlike traditional multiplier analyses, this analysis takes into account the fact that newer homes may attract families at a different rate than older homes, and that urban areas (like Beacon and Poughkeepsie) may include more multifamily units than rural areas. It therefore incorporates a trend analysis that looks at the difference between units that were 10 years old and newer in 2000 and other units.

A summary of the specific demographic multipliers used in this analysis is shown in Table 2.

**Table 2: Demographic Multipliers, 5 percent PUMS Sample, Dutchess/Putman Counties**

	1 BR	2 BR	3 BR	4+ BR	All Units
<u>Single-family detached</u>					
School-age children per unit	0.13	0.37	0.76	1.21	0.94
Total persons per unit	2.09	2.18	3.15	3.79	3.37
<u>Townhouse</u>					
School-age children per unit	0.09	0.08	0.37	1.08	0.21
Total persons per unit	1.37	1.98	2.78	2.88	2.16
<u>Multi-family/mixed-use</u>					
School-age children per unit	0.09	0.49	1.69	0.28	0.29
Total persons per unit	1.34	2.92	4.20	3.11	2.05

Source: U.S. Census 5 percent Public Use Microdata Samples; Phillips Preiss Shapiro Associates, Inc.

Note that the multipliers for multi-family/mixed-use are higher in some cases than both the single-family and the townhouse multipliers; calculations thus made would yield more school children and total persons in a downtown mixed-use unit than in a large single-family unit on a large lot. That, of course, is inconsistent with typical residential development.

While the PUMS data is not incorrect, PPSA believes the multi-family/mixed-use multipliers in our PUMS data is skewed to the high end by a predominance of large families in rental and apartment buildings in the Counties of Dutchess and Putnam.<sup>1</sup> However, residential units in a downtown mixed-use and mill-building re-use setting tend to be populated by single professionals, unmarried couples, or married couples with few or no children. It was thus PPSA's professional judgment to apply the *townhouse* multipliers presented above in place of the multi-family/mixed-use multipliers when calculating the demographic projections for the mixed-use prototypes (G and H). The result is much more appropriate for mixed-use development.<sup>2</sup>

Thus, based upon the demographic multipliers for total persons and schoolchildren, and based upon a rule-of-thumb multiplier of one employee per 250 square feet of commercial space, PPSA calculated the resulting total of new residents, schoolchildren, and employees generated by the eight development types. These are listed in Table 3.

**Table 3: New Residents, Schoolchildren, and Employees**

		TOTAL UNITS	COMMERCIAL AREA	NEW RESIDENTS	SCHOOL CHILDREN	NEW EMPLOYEES
<b>A</b>	SF Res R-80	1	0	3.79	1.21	0
<b>B</b>	SF Res R-20	1	0	3.15	0.76	0
<b>C</b>	Townhouse	1	0	1.98	0.08	0
<b>D</b>	Loft apartment	1	0	1.98	0.08	0
<b>E</b>	Office, 20,000 sf	0	20,000	0	0	80
<b>F</b>	Retail, 20,000 sf	0	20,000	0	0	80
<b>G</b>	Downtown mixed-use	4	1,500	7.90	0.34	6
<b>H</b>	Mill building mixed-use	50	50,000	94.72	7.27	200

*Source: Phillips Preiss Shapiro Associates, Inc. 2006*

<sup>1</sup> For example, according to the 2000 U.S. Census, nearly 62 percent of Poughkeepsie's population lived in rental units (18,646 out of a total population of 29,871).

<sup>2</sup> The 2000 Census reports an average household size 2.61 for Beacon (compared to 2.40 for Poughkeepsie and 2.63 for Dutchess County). However, it is PPSA's professional judgment that this multiplier is too high for a residential unit in a mixed-use context, particularly in downtown or in a renovated mill building. Demographic trends since 2000 have shown that smaller families, families without children, singles, and retirees are the typical resident of such units.

### 1.3 FISCAL IMPACTS OF DEVELOPMENT

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Now that population impacts from prototypical development have been estimated, it is possible to calculate the net fiscal impact (the revenues minus the expenses) for each prototype development. A standard “average cost” methodology—the “per capita multiplier” method developed by the Center for Urban Policy Research at Rutgers University—has been employed to project the fiscal impacts of new residential growth on the finances of both the City of Beacon and the consolidated school district.

The methodology employed is simple, and *assumes that new residents will demand municipal services at the same rate as existing residents*. This assumption is reasonable so long as the growth is relatively modest compared with the size of the community in which it is occurring. More significant growth would tend to precipitate the need to make significant new investments—a new school, a sewer system, a widened roadway—that would not be taken into account using the average cost method. These results are most valid when applied to near-term, incremental growth in the City. The methodology *also assumes the current costs are a good proxy for future costs*—again, a sound assumption in the near term, less so for the distant future.

Revenues are estimated based on current tax rates. Market values have been estimated using formulas provided by the City, by speaking with City realtors, and by examining the State’s sales data for Beacon (each property sale is registered with the State Office of Real Property Services). From these market values, we have applied the City’s equalization ratio (currently 28 percent) to determine the current assessed value.<sup>3</sup>

Beacon and the school district do not raise all of their revenues from real property taxes. Intergovernmental transfers (both from sales taxes collected by the County distributed to the municipalities and from State Aid) comprise a significant share of Beacon’s total revenues. For State Aid, PPSA previously performed a regression analysis of all Towns in Dutchess County and found that each additional person added to a town’s population should result in about \$67 in additional monies from the State of New York.

Sales tax transfers from the County contribute nearly 25 percent of Beacon’s total revenue sources—a very substantial amount. In an agreement with the County, the City does not levy its own sales tax; instead, it receives a fixed percentage of the County’s total sales tax collections. This substantial revenue source allows the City to keep its property taxes relatively low.

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<sup>3</sup> PPSA is aware that the City is now undergoing a reevaluation, and that new assessment values and increasing municipal budgets will likely lead to tax rate increases. In this case, PPSA applies current tax rates and against the equalization rate to achieve an effective tax rate. This is typically a good proxy for estimating tax rates through reevaluation periods.

Thus, in order to arrive at an accurate estimate of the revenues of each project, it was necessary to calculate three sources of potential revenue: the property tax revenue, the state aid revenue, and the sales tax revenue (both from new retail space and from new residents, i.e. shoppers).

The resulting detailed fiscal impact results for the prototype developments are provided in Table 8. The results from prototypes A and B are negative. Results from the remaining six scenarios are positive. A brief case study will examine the fiscal impact calculations for prototype A, and illustrate how the net impacts were calculated. (Note that the Appendix contains the full and detailed spreadsheet analysis for each of the eight development scenarios.)

### 1.3.1 Prototype A: Single Family Residential on 2-acre Lots

The following considers a single-family home on a two-acre lot. The market value for such a house depends upon the location and amenities being offered, but in general newly developed four-bedroom homes of this type are now selling for \$600,000.

#### 1.3.1.1 Revenues

Using the City's current equalization rate of 28 percent, the assessed value for this home would be \$168,000 (market value \* equalization rate). The combined City homestead and Library tax is \$19.066 per \$1,000 of assessed value; the rate for the school district is \$36.810 per \$1,000. Thus the taxes paid by this average house on a two-acre lot would total \$3,203 to the City and Library and \$6,184 to the school district.

As noted earlier, there are other sources of revenue on the municipal side other than property taxes, including sales taxes and State aid. Based on the projection of \$67 in additional aid per person, State aid could be expected to increase by about \$231 per house of this type. Furthermore, based on a calculation that each new Beacon resident would generate \$1,047 in sales taxes for the County, at the current transfer rate of 3.0673 percent, each new resident would generate about \$32 in sales tax revenue per year for the City.

The sales tax calculation is illustrated in Table 4.

**Table 4: Sales Tax Revenue for Prototype A**

1	Total retail expenditures per capita, Beacon, 2005	\$13,687
2	Amount that is clothing and shoes	\$1,611
3	Percent that is non-taxable (i.e. less than \$110)	50%
4	Total taxable clothing and shoes (line 2 x line 3)	\$806
5	Total taxable retail expenditures per capita (line 1-line 2 + line 4)	\$12,882
6	Sales tax rate, Dutchess County	3.75%
7	Total Dutchess County sales taxes per capita (line 5 x line 6)	\$483
8	Total new residents (see Table 3)	3.79
9	Annual percentage of sales tax collections distributed to Beacon	3.0673%

10 Total sales tax revenue for Beacon (line 8 x line 9) \$56

*Source: Phillips Preiss Shapiro Associates, Inc. 2006 and Claritas, Inc. 2006*

Thus, municipal revenues, comprised of property tax revenues, State aid, and sales tax revenues, for this average house would total \$3,434. Table 5 illustrates these steps more clearly:

**Table 5: Revenue Calculation for Prototype A**

1	Assessed value	\$168,000
	<u>Tax Rates</u>	
2	City + Library	\$19.066/\$1,000
3	School District	\$36.810/\$1,000
	<u>Property Tax Revenues</u>	
4	City + Library (line 1 x line 2)	\$3,203
5	School District (line 1 x line 3)	\$6,184
	<u>Other Town revenues</u>	
6	Total new residents	3.79
7	State aid per capita	\$67
8	New state aid (line 6 x line 7)	\$254
9	Sales tax revenue per capita, for Beacon	\$15
10	New sales tax revenue (line 6 x line 9)	\$56
	<u>Total revenues</u>	
11	City + Library (sum of lines 4, 8 & 10)	\$3,513
12	School District (line 5)	\$6,184
13	Total (line 11 + line 12)	\$9,697

*Source: Phillips Preiss Shapiro Associates, Inc. 2006*

### 1.3.1.2 Expenditures

The next step is to compare these revenues with expenditures. The latest municipal budget for Beacon was approximately \$15.4 million (general expenditures), or very close to \$889 for each of the 14,250 full-time residents. School revenues raised by property taxes total \$25.4 million (or \$6,860 for each of the 3,700 students). Each single-family house of this type and size is expected to generate 3.45 full-time residents and 0.96 public school students. The costs associated with the average house will therefore be about \$3,067 on the municipal side, and over \$11,588 on the school side. Table 6 illustrates the steps in the expenditure calculation.

**Table 6: Expenditure Calculation for Prototype A**

1	Municipal expenditures per capita	\$889
2	School expenditures raised from property taxes per student	\$6,860
3	Total persons per unit	3.79
4	Total public school children per unit	1.21
	<u>Expenditures associated with unit</u>	
5	Municipal (line 1 x line 3)	\$3,372
6	Schools (line 2 x line 4)	\$8,291

Source: Phillips Preiss Shapiro Associates, Inc. 2006

1.3.1.3 Net Fiscal Impacts

The reconciliation of total costs and revenues is shown in Table 7 below. As the table illustrates, new housing growth creates a small surplus at the municipal level. However, there is a deficit with regards to the public schools. **The total impact (municipality plus school district) is thus negative.** This deficit would have to be closed through a higher tax rate, an increase in taxable non-residential development, or a change in assessment practices (e.g. a reassessment) leading to higher effective taxes.

**Table 7: Reconciliation of Costs and Revenues for Prototype A**

	City	School District	Total
Revenues	\$3,513	\$6,184	\$9,697
<u>Expenditures</u>	<u>\$3,372</u>	<u>\$8,291</u>	<u>\$11,663</u>
Net impact	\$141	- \$2,106	- \$1,966

Source: Phillips Preiss Shapiro Associates, Inc. 2006

**1.3.2 Impacts of Prototypes B - H**

The calculations for other prototype developments follow the same methodology as above, though each prototype generates different results based on the amount and size of each unit and the presence of commercial development, which contributes revenues but requires a different rate of municipal services, and requires no services from the school district. Table 8 shows the net fiscal impact for each development.

**Table 8: Impacts of Prototypes B-H**

<b>Development Prototype</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
	<b>SF Res R-80</b>	<b>SF Res R-20</b>	<b>Townhouse</b>	<b>Loft apt.</b>	<b>Office</b>	<b>Retail</b>	<b>Mixed-use</b>	<b>Mill, mixed-use</b>
Total new residents	3.79	3.15	1.98	1.98	0.00	0.00	7.90	94.72
Total new school children	1.21	0.76	0.08	0.08	0.00	0.00	0.34	7.27
Total new employees	0.00	0.00	0.00	0.00	80.00	80.00	6.00	200.00
<b>Expenditures</b>								
Municipal expenditures	\$ 3,372	\$ 2,799	\$ 1,757	\$ 1,757	\$ 15,520	\$ 15,520	\$ 8,191	\$ 123,009
School expenditures	\$ 8,291	\$ 5,237	\$ 581	\$ 581	\$ -	\$ -	\$ 2,325	\$ 49,892
<b>Revenues</b>								
Total New Sales Tax Revenue	\$ 56	\$ 47	\$ 29	\$ 29	\$ -	\$ 15,845	\$ 1,239	\$ 41,003
<u>Municipal property tax revenues</u>								
Municipal	\$ 2,983	\$ 1,740	\$ 1,243	\$ 994	\$ 24,806	\$ 24,806	\$ 5,838	\$ 91,060
Library	\$ 220	\$ 128	\$ 92	\$ 73	\$ 1,100	\$ 1,100	\$ 2,154	\$ 45,012
<u>School revenues</u>	\$ 6,184	\$ 3,607	\$ 2,577	\$ 2,061	\$ 30,920	\$ 30,920	\$ 10,564	\$ 154,602
<u>Other revenues</u>								
State aid (\$67/person)	\$ 254	\$ 211	\$ 132	\$ 132	\$ -	\$ -	\$ 530	\$ 6,346
<b>Net Fiscal Impact</b>								
City of Beacon	\$ 141	\$ (673)	\$ (260)	\$ (527)	\$ 10,387	\$ 26,232	\$ 1,569	\$ 60,412
Beacon Schools	\$ (2,106)	\$ (1,629)	\$ 1,995	\$ 1,480	\$ 30,920	\$ 30,920	\$ 8,239	\$ 104,710
<b>TOTAL NET IMPACT</b>	<b>\$ (1,965)</b>	<b>\$ (2,302)</b>	<b>\$ 1,735</b>	<b>\$ 953</b>	<b>\$ 41,307</b>	<b>\$ 57,153</b>	<b>\$ 9,808</b>	<b>\$ 165,122</b>

Source: Phillips Preiss Shapiro Associates, Inc. 2006

## **1.4 CONCLUSIONS**

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With the results of the fiscal impact analysis now in hand, it is prudent to examine them against known deficiencies or constraints in local service provisions, with an eye towards “breaking points” in service provision. This section briefly discusses the implications of these results in terms of how they might be of use to the Comprehensive Plan process.

### **1.4.1 Municipal Services**

First, PPSA is not aware of any major deficiencies in service provision. PPSA discussed service capacity concerns with the Fire Department, Comprehensive Plan Committee, and Frederick P. Clark Associates. There are two known service constraints: the combined sewer system and the water supply. First, we acknowledge that the city is undertaking a modernization of its combined storm sewer/wastewater system, which is problematic during heavy rain events, by installing new, separate, storm and wastewater sewers. This is being done regardless of new growth, and it is not expected that new growth will impact this project in any significant way. Second, in terms of water supply, it is estimated that the maximum safe water yield can accommodate 17,800 persons, but that the City’s maximum build out (under current zoning) could be more than that, at 19,000 persons. Such a build out scenario would clearly lead to water provision issues.

### **1.4.2 Beacon Central School District**

Based on conversations with the School District, it is not apparent that there will be school capacity concerns in the very near future. At this time, there are classrooms available at each elementary school and space at the middle and high schools. There are no indications that a new school or significant expansion projects are required in the near future. Of course, the School District includes portions of the town of Fishkill, and growth in those communities is not governed by the City of Beacon.

### **1.4.3 Considerations for the Comprehensive Plan**

Continued population growth in Beacon is likely, especially as the City continues to improve its image and desirability, and capitalize on its urban feeling, its Main Street amenities, its access to New York City, and its quality of life. While there do not seem to be any immediate service provision issues, it is prudent for the Comprehensive Plan Committee to consider the fiscal impacts of each type of new development.

- Growth patterns that encourage solely single-family residential development will lead to net fiscal deficits for the City, and, accordingly, increased tax rates.
- Growth patterns that encourage solely mixed-use and commercial development will contribute to a net positive fiscal situation.

From a purely fiscal perspective, balanced growth should not require any more fiscal expenditures than it can itself contribute to the fiscal revenue base. In other words, it should be self-sustaining. Thus, from a purely fiscal perspective, based on current information and current revenue and expenditure levels, each unit of Prototype A must be balanced with, for example, 1.13 units of Prototype C or 2.06 units of Prototype D to be fiscally neutral (i.e. to contribute as much to the tax base as it requires in services). This simple table illustrates the balancing ratios required to neutralize the negative effects of Prototypes A and B:

	C	D	E	F	G	H
A	1.13	2.06	0.05	0.03	0.20	0.01
B	1.33	2.42	0.06	0.04	0.23	0.01

This is a simplified scenario, of course, but helps to clarify the relative weights of different types of growth in Beacon. In conclusion, the following points are important to consider:

- By planning for a mix of housing types, the negative effects of each single family units can be neutralized or made positive.
- Balanced growth that incorporates residential and commercial development of all types will help balance fiscal impacts, can contribute in a positive manner to Beacon's long-term sustainability, and could help stabilize tax rates.
- Thus, the Comprehensive Plan and its resulting zoning should encourage a mix of housing types and commercial development throughout the town.

**APPENDIX: DETAILED FISCAL IMPACT SPREADSHEETS**

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Please see attached spreadsheets.

**BEACON COST OF SERVICES STUDY**

**PROJECT DATA and DESCRIPTION**

Development Type

		TOTAL RES. UNITS	1 BR units, by type	2 BR units, by type	3 BR units, by type	4+ BR units, by type	TOTAL NEW RESIDENTS	SCHOOL CHILDREN	Avg. Market Values	
									Residential, average per unit	Commerical, per square foot
<b>A</b>	SF Res R-80	1	-	-	-	1	<b>3.79</b>	<b>1.21</b>	\$ 600,000	
<b>B</b>	SF Res R-20	1	-	-	1	-	<b>3.15</b>	<b>0.76</b>	\$ 350,000	
<b>C</b>	Townhouse	1	-	1	-	-	<b>1.98</b>	<b>0.08</b>	\$ 250,000	
<b>D</b>	Loft apartment	1	-	1	-	-	<b>1.98</b>	<b>0.08</b>	\$ 200,000	
<b>E</b>	Office, 20,000 sf	-	-	-	-	-	-	-		\$ 150
<b>F</b>	Retail, 20,000 sf	-	-	-	-	-	-	-		\$ 150
<b>G</b>	Downtown mixed-use	4	-	4	-	-	<b>7.90</b>	<b>0.34</b>	\$ 200,000	\$ 150
<b>H</b>	Mill building mixed-use	50	20	20	10	-	<b>94.72</b>	<b>7.27</b>	\$ 200,000	\$ 100

		Commercial square feet	Employees/ square foot	Total Employees
<b>A</b>	SF Res R-80	-	-	-
<b>B</b>	SF Res R-20	-	-	-
<b>C</b>	Townhouse	-	-	-
<b>D</b>	Loft apartment	-	-	-
<b>E</b>	Office, 20,000 sf	20,000	250	80
<b>F</b>	Retail, 20,000 sf	20,000	250	80
<b>G</b>	Downtown mixed-use	1,500	250	6
<b>H</b>	Mill building mixed-use	50,000	250	200

Downtown mixed-use: 5 stories, each of 1500 square feet. First floor is retail/commercial

**BEACON COST OF SERVICES STUDY**

**General Information**

Total Population	14,250
Total Housing Units	5,460
Total Employees	6,500

**Fiscal Information**

Total General Fund Expenditures	\$ 15,400,167	(does not include water or sewer)
Total Tax Revenues	\$ 6,113,812	39.70%

<u>Municipal Tax Rate</u>		Per \$1000:
Homestead	0.017756	17.76
Non-homestead	0.029531	29.53
School Tax Rate	0.036810	36.81
Library	0.001310	1.31
County	0.007690	7.69

Equalization Ratio 28.00%

<u>Tax Levy</u>	Amount	Percent
Homestead uses	\$ 4,368,722	71.46%
Non-homestead uses	\$ 1,745,090	28.54%
Total	\$ 6,113,812	100.00%

<u>Total Assessment Roll</u>	\$ 305,139,532	100.00%
Homestead Assessment	\$ 246,046,772	80.63%
Non-homestead Assessment	\$ 59,092,760	24.02%

Revenues per resident	\$ 17,266.44
Revenues per employee	\$ 9,091.19

Parcel Data for Purposes of Dis-aggregating Expenses

	Parcels		Assessed Valuation		Average
	Acres	Percent	Total	Percent	
Vacant/Undeveloped	420	13.5%			0.07
Residential	1,037	33.4%	\$251,642,126	82.3%	0.58
Commercial	67	2.2%	\$25,047,864	8.2%	0.05
Industrial	89	2.9%			0.01
Semi-Public, Public	953	30.7%			0.15
<u>Utilities, Roads, Water</u>	<u>543</u>	<u>17.5%</u>			0.09
Total tax base	3,109	100.0%	\$305,907,632		

Other revenue

State aid per person	\$ 67
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Budget Expenditures

For residential use	\$ 12,668,304
For commercial/industrial use	\$ 1,260,973
Expenditures per resident	\$ 889
Expenditures per employee	\$ 194

**School Information ('05-'06)**

Total School Enrollment	3,700
Total School Expenditures	\$ 44,736,465
Revenues from Local Prop Taxes	\$ 25,383,328
School State Aid	\$ 17,695,137
<u>Per Stdnt. Rev. from Lcl. Prop. Taxes</u>	6,860

## BEACON COST OF SERVICES STUDY

### BEACON RETAIL SPENDING AND SALES TAX GENERATION

#### County sales tax distributions to Beacon

a	Annual % of County collections allocated to Beacon		3.0673%
b	Projected 2006 Statistics (Beacon)	\$	4,803,410
c	Population		14,250
d	Per person distribution	\$	337
e	Households		5460
f	Per household distribution	\$	880

#### Sales at Retail Establishments

##### Average annual sales per square foot <sup>1</sup>

g	Downtown mixed-use	\$	300
h	20,000 sf retail space	\$	374
i	Mill building, 50,000 sf retail	\$	374

##### Square feet of retail

j	Downtown mixed-use		1,500
k	20,000 sf retail space		20,000
l	Mill building, 50,000 sf retail		50,000

##### Percent of sales that are taxable <sup>2</sup>

m	Downtown mixed-use		100%
n	20,000 sf retail space		85%
o	Mill building, 50,000 sf retail		85%

##### Annual taxable sales

p	Downtown mixed-use	(g*j*m)	\$	450,000
q	20,000 sf retail space	(h*k*n)	\$	6,358,000
r	Mill building, 50,000 sf retail	(i*l*o)	\$	15,889,475

##### Sales Tax Rate

s	Dutchess County rate		3.75%
t	MCTD rate		0.375%
u	NY State flat rate		4.00%
v	Total	(s+t+u)	8.125%

##### Total Sales Tax Generated

w	Downtown mixed-use	(p*v)	\$	36,562.50
x	20,000 sf retail space	(q*v)	\$	516,587.50
y	Mill building, 50,000 sf retail	(r*v)	\$	1,291,019.84

##### Total distributed to Beacon

z	Downtown mixed-use	(w*a)	\$	1,121.48
aa	20,000 sf retail space	(x*a)	\$	15,845.29
ab	Mill building, 50,000 sf retail	(y*a)	\$	39,599.45

#### Retail Spending per Beacon Household

ac	Year 2005 total per capita <sup>3</sup>	\$	13,687	
ad	Amount that is clothing and shoes <sup>4</sup>	\$	1,611	
ae	Percent non-taxable (percent < \$110)		50%	
af	Total taxable clothing and shoes	(ad*ae)	\$	806
ag	Total taxable retail sales per capita	(ac-ad+af)	\$	12,882
ah	Total COUNTY sales taxes per capita	(ag*s)	\$	483
ai	Total distributed to Beacon per capita.	(ah*a)	\$	15

<sup>1</sup> Source: Sales per square foot estimated, based on comparables of neighborhood and convenience shopping centers listed in *Dollars and Cents of Shopping Centers: 2004*. Urban Land Institute.

<sup>2</sup> Not all retail sales are taxable. Those that are not include groceries, and clothing and shoes totaling less than \$110.

<sup>3</sup> Source: Claritas Inc. 2006.

<sup>4</sup> Source: Claritas Inc. 2006. Again, purchases of clothing and shoes totalling less than \$110 are not taxable.

**BEACON COST OF SERVICES STUDY**

<b>Development Type</b>	
<b>A</b>	SF Res R-80
<b>B</b>	SF Res R-20
<b>C</b>	Townhouse
<b>D</b>	Loft apartment
<b>E</b>	Office, 20,000 sf
<b>F</b>	Retail, 20,000 sf
<b>G</b>	Downtown mixed-use
<b>H</b>	Mill building mixed-use

<b>Development Prototype</b>	<b>A</b> SF Res R-80	<b>B</b> SF Res R-20	<b>C</b> Townhouse	<b>D</b> Loft apt.	<b>E</b> Office	<b>F</b> Retail	<b>G</b> Mixed-use	<b>H</b> Mill, mixed-use
Total new residents	3.79	3.15	1.98	1.98	0.00	0.00	7.90	94.72
Total new school children	1.21	0.76	0.08	0.08	0.00	0.00	0.34	7.27
Total new employees	0.00	0.00	0.00	0.00	80.00	80.00	6.00	200.00
<b>Expenditures</b>								
Municipal expenditures	\$ 3,372	\$ 2,799	\$ 1,757	\$ 1,757	\$ 15,520	\$ 15,520	\$ 8,191	\$ 123,009
School expenditures	\$ 8,291	\$ 5,237	\$ 581	\$ 581	\$ -	\$ -	\$ 2,325	\$ 49,892

**Revenues**

Tax Rates

Beacon Homestead	0.017756	0.017756	0.017756	0.017756	0.017756	0.017756	0.017756	0.017756
Beacon Library	0.001310	0.001310	0.001310	0.001310	0.001310	0.001310	0.001310	0.001310
Beacon Schools	0.036810	0.036810	0.036810	0.036810	0.036810	0.036810	0.036810	0.036810
Dutchess County	0.007690	0.007690	0.007690	0.007690	0.007690	0.007690	0.007690	0.007690
Commercial tax rate	0.029531	0.029531	0.029531	0.029531	0.029531	0.029531	0.029531	0.029531
Equalization Rate	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
<i>MARKET</i> value of residential development								
	\$ 600,000	\$ 350,000	\$ 250,000	\$ 200,000	\$ -	\$ -	\$ 800,000	\$ 10,000,000
<i>MARKET</i> value of commercial development								
	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 225,000	\$ 5,000,000

New Sales Tax Generated for Beacon

From new spending	\$ 56	\$ 47	\$ 29	\$ 29	\$ -	\$ -	\$ 117	\$ 1,403
From new retail stores	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,845	\$ 1,121	\$ 39,599
Total New Sales Tax Revenue	\$ 56	\$ 47	\$ 29	\$ 29	\$ -	\$ 15,845	\$ 1,239	\$ 41,003

Municipal property tax revenues

Municipal	\$ 2,983	\$ 1,740	\$ 1,243	\$ 994	\$ 24,806	\$ 24,806	\$ 5,838	\$ 91,060
Library	\$ 220	\$ 128	\$ 92	\$ 73	\$ 1,100	\$ 1,100	\$ 2,154	\$ 45,012
County	\$ 1,292	\$ 754	\$ 538	\$ 431	\$ 6,460	\$ 6,460	\$ 3,583	\$ 62,876

School revenues

	\$ 6,184	\$ 3,607	\$ 2,577	\$ 2,061	\$ 30,920	\$ 30,920	\$ 10,564	\$ 154,602
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Other revenues

State aid (\$67/person)	\$ 254	\$ 211	\$ 132	\$ 132	\$ -	\$ -	\$ 530	\$ 6,346
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**Net Fiscal Impact**

City of Beacon	\$ 141	\$ (673)	\$ (260)	\$ (527)	\$ 10,387	\$ 26,232	\$ 1,569	\$ 60,412
Beacon Schools	\$ (2,106)	\$ (1,629)	\$ 1,995	\$ 1,480	\$ 30,920	\$ 30,920	\$ 8,239	\$ 104,710
<b>TOTAL NET IMPACT</b>	<b>\$ (1,965)</b>	<b>\$ (2,302)</b>	<b>\$ 1,735</b>	<b>\$ 953</b>	<b>\$ 41,307</b>	<b>\$ 57,153</b>	<b>\$ 9,808</b>	<b>\$ 165,122</b>

Net fiscal impact per unit	\$ (1,965)	\$ (2,302)	\$ 1,735	\$ 953			\$ 2,452	\$ 3,302
Net fiscal impact per sq.ft.					\$ 2.07	\$ 2.86	\$ 6.54	\$ 3.30

*NOTE: Numbers in (parentheses) are negative numbers.*