



## Business & Economic Development Advisory Committee **REPORT**

### **Introduction**

The Clarkstown Business & Economic Development Advisory Committee (“Committee”) was established on February 4, 2019. The Committee was formed and charged with the long term goal of developing a strategic, pro-growth economic plan for the town.

Supervisor Hoehmann established the committee in order for the town to be proactive in understanding and adapting to changes in the broader economy that will impact the town’s competitiveness today and into the future.

Clarkstown is Rockland County’s economic engine, accounting for sixty percent of the commercial rateables in Rockland County. The two major malls that call Clarkstown home account for at least 25% of the total sales tax collected countywide. From a tax assessment perspective, retail locations account for nearly \$44 million in real estate taxes for the Town of Clarkstown and the school districts within the town.

Although the discussion surrounding recent trends in retail was the spark that led to its creation, the Committee’s mission is to provide the town with a blueprint on how to attract new businesses, as well as how to retain existing ones by encouraging their expansion and growth.

The committee was asked to incorporate the following ideas into their approach in developing recommendations:

- Improving the way the town promotes and facilitates various approval processes for those seeking to do or expand business in Clarkstown;
- A comprehensive look at trends in the retail sector and how they inform the sustainability and long-term growth of retail in Clarkstown;
- The development of a marketing plan to reach emerging retailers who are looking for an ideal environment to shape their business spaces to attract consumers that live in the metropolitan area;
- The formulation of a framework for an economic development plan to be incorporated into the town's Comprehensive Plan, which is set to begin work in 2020.

These broad subject areas served as the basis by which the committee arrived at its ultimate recommendations.

## **Membership**

The Clarkstown Business & Economic Development roster is below. The membership represents a cross-section of individuals whose expertise and leadership made their inclusion in the committee essential to the task of developing a robust approach to economic development:

**Chair**—Howard Hellman, Chair, All Bright Electric

- Robert Alberty, Director of Finance, Town of Clarkstown
- Raja Amar, President, Portables Unlimited
- Kathleen Brennan, Aluf Plastics
- Donald Franchino, Councilman, Town of Clarkstown
- Mark Glasel, Associate Broker, Triforce Commercial Real Estate
- Walter Goldman, President, Goldkap Consulting Group/Business Expense Advisors
- Brion Hayman, President, Gateway Building Services
- Risa Hoag, President, Nanuet Chamber of Commerce
- Alice Lenna, New City Chamber of Commerce
- Rob Mayer, President of Autopro LLC
- Valerie Moldow, Nanuet Chamber of Commerce
- Albert T. Moroni, Chief of Staff, Town of Clarkstown
- Rene Rodriguez, President, New City Chamber of Commerce
- Al Samuels, President, Rockland Business Association
- Michael Shilale, Principal, Michael Shilale Architects, LLP
- Joe Simoes, Town Planner, Town of Clarkstown
- Phyllis Tucker, Director of Operations & Marketing, Rockland Economic Development Corporation

## **Subcommittee Structure**

In addition to the meetings that were held for the entire membership of the Committee, the members met numerous times over the course of the past six (6) months as members of subcommittees.

Subcommittees were created to foster an environment where members could engage in the kind of focused discussion that would be necessary to produce recommendations that were tested and well developed before bringing them to the broader group for discussion.

The subcommittees that were developed and implemented were:

- Data & Analytics
- Retail, Hospitality & Entertainment
- Permitting & Business Processes

- Marketing & Communications

The **Data & Analytics** subcommittee was focused on identifying and outlining the significant trends that are currently defining not only Clarkstown's current and future business landscape, but those shaping all other aspects of the town. Understanding how important people (as employees and consumers) are to the success of local business, the Data & Analytics group examined the foundational attributes that make Clarkstown a strong marketplace for businesses today, while also exploring how changing demographic trends fit into existing zoning for residential and commercial properties.

Compiling and analyzing data is a critical aspect of formulating any successful plan. The same can be said for putting together an economic development plan that weighs the needs and desire of two key constituencies: businesses and the residents of the Town of Clarkstown. The goal is to not only make the environment for business more amenable, but to grow the residential base by which businesses can grow and thrive. In short, this group looked at the current zones that the town has and ways they can be changed to encourage smart growth and development for business and residents.

The **Retail, Hospitality & Entertainment** group examined how Clarkstown can position itself competitively as an ideal location for a retail sector that continually reinvents itself to meet the ever shifting needs and tastes of today's consumers. One pernicious trend is the concept that people wish to buy *experiences* over tangible things.

The town has been recently successful in partnering with developers with an eye toward recreating retail spaces to incorporate entertainment features and venues that will serve as a magnet for regional tourism. A key ingredient in sustaining growth in tourism is encouraging a hospitality sector that makes Clarkstown a destination to shop, play and stay.

For existing and potential businesses large and small it is important for the town make licensing and permitting as easy to understand and navigate as possible. It was with that goal in mind the **Permitting & Business Processes** subcommittee was formed. A major part of helping business thrive in Clarkstown is ensuring that legal requirements and the permitting process is easy to understand, reasonably predictable and has the flexibility to at times expedite processes for businesses looking to get started or seeking to renovate or expand quickly. Town offices and officials that interact with businesses need to view business owners and their agents as their customer.

#### **Hot Retail Trends**

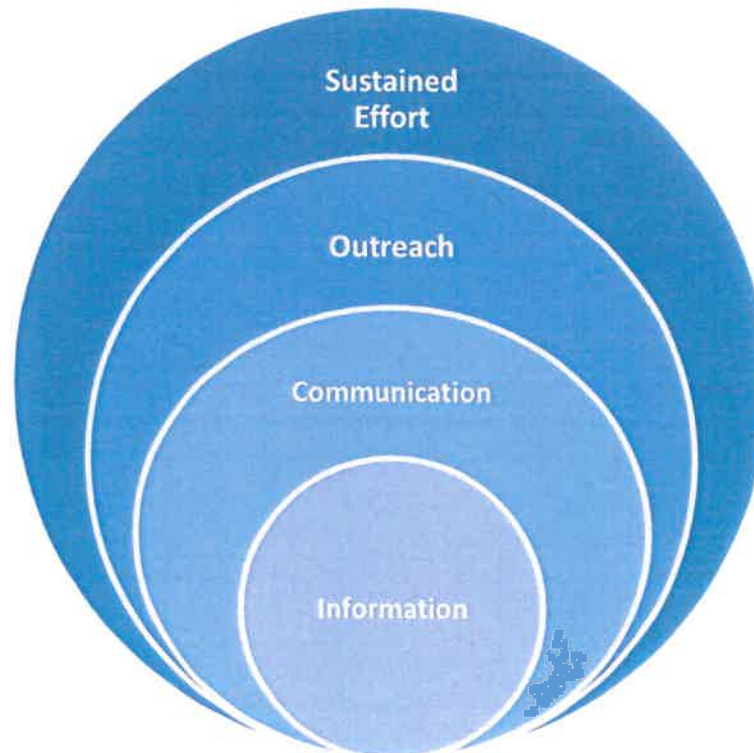
- Showroom Stores
- E-Tailers' desire for limited brick and mortar
- Alternative store formats (i.e. Macy's Backstage and Nordstrom Rack)
- Smaller, "independent" retailers
- Customer Experience and Entertainment
- Mass Customization
- Highly Personalized Interactions
- Heightened focus on Corporate policies on Sustainability & Social Responsibility

How can Clarkstown aggressively position itself in the region as an ideal place to start a new business? The **Marketing & Communications** team focused on framing out a marketing, messaging and persuasion plan that will lure targeted businesses through the promotion of the positive attributes that Clarkstown has to further stimulate economic development. Developing the proper narrative requires understanding what makes the businesses we have successful and sharing those successes with entrepreneurs who are seeking the right home for their business.

As subcommittee members met and discussed their area of focus as a group, they were tasked with reporting their thoughts to the broader committee membership to serve as the basis of all of the recommendations contained in this report.

### **Recommendations**

As the subcommittees reported to the larger group and pointed discussions occurred on what recommendations would be made to the Supervisor, a number of themes emerged. These thematic elements provide a dynamic blueprint for the emergence of not just an economic development *plan* but a course of *action*. These four elements can initially be viewed as sequential, but over time each element is essential to the strength of the other. These four areas are: information, communication, outreach and sustained effort.



Each of these four areas is critical and the committee put forth the following recommendations that fit into each area.

## Information

The key to any successful plan is having the right information to make informed decisions. It applied not only to the committee's work, but as the foundation of key recommendations that have emanated from their work.

- **Continue gathering key, high-level demographic information to tell the “Clarkstown Story”**—What are the types of data that tell the Clarkstown story? With Census-level data as a base and the comprehensive plan as its mission, the town needs to continuously gather data that will set it apart from the communities in Rockland and the region as a place where people not only want to live, but create or grow a business.
- **Simplify how businesses can learn about and understand Clarkstown's laws and procedures**—Businesses should not have to dig through the town code and decipher what is and isn't allowed from a zoning, licensing and permitting perspective. The town should have a task force charged with examining how best to explain the procedures, timelines and costs associated with securing needed approvals so businesses can move at a reasonable speed towards their goals.
- **Digitize commonly used forms and allow for electronic submission when possible**—In this day and age, businesses and residents expect quick access to information and the ability to apply for government services with the ease they've come to expect with nearly every other aspect in their life.
- **Commercial Asset Identification**—Working within the scope of the town's GIS capabilities, the town should work toward not only gathering information on the commercial spaces it has available, but on spaces that could be potentially developed.
- **Filming Asset Identification and Development of Procedures**—The town is ideally situated within the boundaries set by the unionized professionals in New York's film industry for their industry's geographic standard. What this means is the town has the opportunity to significantly expand its relationship with film scouts and others who are constantly looking for locales that can provide the shot they are looking for and in a location that is easy to get to.
- **Exploring the applicability of establishing certain economic development agencies and programs**—A town of this size and importance to the region should explore the possibilities of establishing incentive programs and other district-level organizations to further enhance its ability to attract new businesses. A thorough examination of the applicability of establishing Business Improvement Districts and other agencies to support emerging sectors should be produced and contemplated.
- **Survey Research**—Town and local business leaders would each benefit greatly from partnering together to engage in various survey research, ranging from the

informal to more formal, scientific methods. Information, especially opinions, never remains static. Designing various methods and avenues by which the town can periodically engage local business leaders and residents on issues related to quality of life and the business environment would be valuable.

## **Communication**

With the right information in hand, developing clear, concise and compelling messages are vitally important to the success of attracting and retaining businesses.

- **Completely redesigning the town's business website**—The current website needs a complete overhaul with the goal of creating a one stop shop for all businesses to learn about what makes Clarkstown a great place to do business. It needs to have visually engaging information displaying the town's assets, its laws and procedures and who its key partners are in ensuring that a new business can thrive here. It should provide easy access for completing forms online and simplifying the process of obtaining and submitting information.
- **Design a slogan and corresponding logo for Clarkstown's economic development effort**—This committee has discussed a few concepts in this regard, but the key thought is to take the initiative to brand the town in a way that, over time, elicits a recognition by people across the region and state. This is a wonderful opportunity to unlock the creativity of the town's residents and business leaders and put forward a positive, clear cutting image for the town.
- **Line up successful business owners and have them tell their story**—There are few things more compelling than a genuine, third-party endorsement. We need to listen to the stories of our business owners and entrepreneurs. What has made them successful? How does being here make them successful? That's the story that potential new business owners need to see, read and hear. These success stories should be told through a variety of media including the new website, television (on Clarkstown's channel) and on social media through testimonial videos and through press releases.
- **Educate residents of the town about the importance of having a robust local economy**—The more commercial rateables the town produces, the easier the tax burden is on the property taxpayer. Clarkstown residents are key partners in helping the town create the right narrative for business. The communications sub-committee should work with the town to develop ways to disseminate the information and recommendations by the overall committee to the residents so that it is viewed through an unbiased lens.
- **Speak the language of business**—The town needs to ensure that key departments, such as the Planning and Building Departments have personnel that can help guide business owners through various processes with a posture of openness and understanding to the needs of business, rather than emphasizing potential constraints.

- **Host quarterly business forums**—A significant part of any sustained communications effort is enabling a consistent venue for open discussion. The town, in partnership with local chambers of commerce and other business groups, needs to be a key facilitator for continued discussion. Meetings should be broadcast live on social media and recorded for Clarkstown’s television channel.

## **Outreach**

Having a well-informed, persuasive message is half the battle. Those messages need to reach the right people in a variety of ways to make an impact.

- **Develop a marketing plan**—The town needs to promote itself across different kinds of media with a well-developed plan to reach sector-specific targets. The town needs to understand not only what methods might be employed to disseminate the message, but also the costs associated with those methods.
- **Utilize Social Media**—A free and effective start to engaging in some basic outreach efforts would be the establishment of a presence among the various social media outlets.
- **Develop an E-newsletter for local business**—The town should produce a business-focused e-newsletter to keep local businesses and entrepreneurs informed, highlight new and existing businesses and to encourage an ongoing dialogue.

## **Sustained Effort**

All of the recommendations to this point cannot come to fruition without a sustained effort on the part of the town. To this end, the committee suggests the following:

- **Continue the work of the Clarkstown Business & Economic Development Advisory Committee**—The recommendations that the committee has made here are a blueprint. There is much work to be done and the committee feels that this group could be a real asset in helping guide the town toward accomplishing many of the goals described in this report.
- **Establish an Economic Development Office**—The committee feels strongly that the establishment of an Economic Development office is absolutely critical to the success of the town’s ability to attract and retain businesses.
- **Or, alternatively, hire a qualified consultant to carry out recommendations** —The town may consider seeking requests for proposals from qualified professionals or firms who have a proven track record in the realm of economic development.



### **Focus on: Taxes**

- **Reexamine the Homestead/Non-Homestead Property Tax System**

It is well-known that the property tax burden for commercial and residential property owners is often cited as an obstacle for growth in the Hudson Valley region. For Clarkstown business owners, the property tax burden is more pronounced, as the Town long ago adopted the Homestead Tax Option for the assessment and collection of local property taxes. The proportion of property taxes paid between Homestead (i.e. residential) and Non-Homestead (i.e. commercial) properties is volatile, with Non-Homestead property taxpayers seeing their costs rise over time. In the past twelve (12) years, the Non-Homestead school tax rate has increased 46% and 35% for town taxes. There is also inequity between the two property classes when it comes to services. Commercial properties do not have the ability to utilize the Town's refuse contract for garbage or bulk pick-up, for example.

The committee feels very strongly that this current taxing regime needs to be thoroughly reexamined.

- **Increase the Percentage of Sales Tax Revenue Rockland County Shares with Clarkstown and other Municipalities**

Simply stated, for all of the economic activity that Clarkstown generates—which accounts for 25% of the sales tax receipts in the county—the share the town gets back from Rockland County is incredibly low. In fact, Rockland County shares much less of its sales tax when compared to other similar counties in the metropolitan region. Rockland County retains 93.7% of its sales tax revenue, as compared to other similar counties. Nassau County retains 82.4% of the sales tax revenue, Westchester County 73% and Orange County retains 73.6%.

The County of Rockland has the sole power to change the percentage of sales tax it shares. An increase in sales tax revenue sharing would provide Clarkstown with a much needed boost in revenues to help lower the property tax burden on the residents and businesses of Clarkstown. The committee will advocate with town officials to the County Executive and County Legislature for an increase of the sales tax revenue.



### **Focus on: Zoning**

The committee gave a lot of thought to issues related to zoning and the pivotal role it plays in defining Clarkstown as not only a place to do business, but as a place to live. Proposing any changes in local zoning is always a thorny issue that few people would choose to rush into carelessly. However, the committee believes that the town can make some surgical changes to its zoning that will benefit the town's economic environment, while also maintaining the town's wonderful quality of life.



- **Review and Redefine business zones**—The current commercial zones are cumbersome for business development. They are also outdated, in light of the changing nature of how businesses utilize space. For example, a business that produces goods at a given site may not be able to sell their product on the premises, based upon existing zoning regulations. The town should work towards redesigning commercial zones that are modern, flexible and inviting to developers.
- **Streamline and Expedite the Land Use Approval Process**—The town should seek ways to streamline the land use approvals process and review existing timeframes and shorten them wherever possible. One example where this could be accomplished involves the town’s Architectural & Historical Review Board (“AHRB”). Currently, applicants must initially go to the Planning Board to receive preliminary approval and then wait for the AHRB to review and approve a project before going back to the Planning Board for final approval. Instead, preliminary and final approval should be done jointly. The town should also consider increasing the frequency of meetings to speed up the approval process without compromising the importance of a thorough review.
- **The Town should also look at modifying residential zones to meet the needs of two critical demographic groups: seniors and millennials**—The need for seniors to downsize and age in place in Rockland continues to increase while young professionals are seeking a place to grow a young family. This phenomenon is not only a town issue, but a regional one. If the town were to allow studio apartments as small as 450 square feet, the town would be producing an environment conducive for the development of affordable housing for those two key groups.
- **Look to the Nanuet Transit Oriented Development as a model**—The committee is excited by the potential that the Nanuet Transit Oriented Development represents for Clarkstown, and believes that a number of elements are transferrable to the other hamlet centers in Clarkstown.

### **Palisades Mall Expansion**

The committee feels strongly that the strength of the town’s economy and the continued success of the Palisades Mall are intrinsically linked. The committee is hopeful that that it can serve as a powerful force in helping to facilitate a strategy between the town and the Palisades Mall that will enable the mall to leverage the space it has in a manner consistent with established law.

Throughout the pendency of the committee’s work, meetings were conducted and information exchanged that make it clear that the Palisades Mall is seeking to utilize the vacant space on the fourth floor and to potentially expand. Both goals are in furtherance of the Mall’s mission to become more diverse in its offerings, especially as it relates to expanding entertainment offerings to buttress existing retail.

We encourage and applaud these efforts.

## **Executive Summary**

When you cultivate a stronger relationship with local business owners and business leaders the rest will follow. One overarching takeaway from this process was the need for the town to better facilitate and foster ongoing discussions with businesspeople in the town in order to capture what they feel makes Clarkstown a successful place to do business and what the town can do to make that experience better.

In the view of the committee, this requires a daily and strategically sustained approach to not only enhancing existing relationships, but being proactive in seeking opportunities that will attract new businesses, generating new rateables and jobs. Equally as important to relationship building is the design and implementation of an aggressive, but targeted marketing plan, especially as it relates to attracting dynamic, new retailers. In order to accomplish both, the town should either create an Office of Economic Development or contract with a dedicated consultant or firm for the same purpose.

With an economic development leader or team in place, Clarkstown can reach its true potential in creating sustainable economic development by taking a broader approach in attracting different kinds of businesses beyond retail. This will require zoning that is more flexible for business than it is today. The zones for business are both too narrowly defined (i.e. types of uses) while also being too numerous for potential entrepreneurs to understand and navigate.

For businesses to be successful, the town needs to reimagine and reshape the environment in which business can continue to thrive. A major piece of that is the importance of remaining a powerful magnet for consumers that are irresistible to businesses of all kinds. The town's push for Transit Oriented Development in Nanuet is a great start, but allowing for the further development of reasonable density (such as studio apartments) in the town's hamlet centers is an important way to attract young professionals.

The committee feels very strongly that it should continue to serve the town in an advisory role and help the town make the incremental steps necessary to achieve the larger goals to make Clarkstown a marketable entity for job creators.