

O. ECONOMICS

The FGEIS provides the lead agency and involved agencies with a comprehensive environmental analysis of cumulative growth impacts and potential mitigation measures for the Study Area. These agencies will evaluate and determine the most environmentally sound and economically responsible action to manage growth in this area during the 15-year planning period. At this time no decisions have been made regarding what is an acceptable level of development or what are the appropriate mitigation measures that will be required to manage growth in the Study Area. Ultimately, a Statement of Findings as required by SEQR must be developed by the lead and involved agencies to identify a combination of an acceptable level of development and appropriate mitigation measures.

1. Fiscal Considerations:

New residential and commercial development generates a variety of costs and revenues to both local government and school districts. Some costs often associated with new development include the cost of constructing and maintaining new infrastructure and school facilities or increasing services in such areas as police protection or recreational programs. Two major revenue sources from development include property and sales taxes. When a proposed commercial or residential project is reviewed by a municipality, a variety of issues such as traffic and infrastructure needs are addressed. As municipalities are faced with the need to maintain services for residents, the evaluation of costs and revenues associated for a given project is an important step in the planning review process.

The 1989 tax rate in the Town of Colonie, excluding special districts such as fire, water and refuse districts, was \$46.1703 per \$1,000 of assessed

valuation. Village residents' taxes were \$40.00 per \$1,000 of assessed valuation. These rates apply to both residential and non-residential uses and include the value of land and any structures.

Portions of the North Colonie, South Colonie, and Niskayuna School Districts are within the Study Area. The 1989-1990 North Colonie School District tax rate was \$192.74 per \$1,000 of assessed valuation which supported a budget of \$28,956,493. The 1989-1990 South Colonie School District tax rate was \$214.61 per \$1,000 which supported a school budget of \$34,957,438. The 1989-1990 Niskayuna School District tax rate was \$304.00 per \$1,000 which supported a school budget of \$25,012,271.

2. Funding Mechanisms:

Capital improvement costs associated with new development can be funded through a variety of mechanisms. These include SEQR, developer financed improvements, improvements financed with local tax dollars, improvements financed with State and Federal tax dollars, and improvements funded by utility companies. Costs and funding mentioned above are related to improvements to transportation systems, utilities (sewer, water, natural gas, telephone, electric, and cable television), municipal services (schools, fire departments, ambulance corps, police departments, and solid waste disposal), and recreational facilities.

Based on the recently completed Town of Colonie Boght Road-Columbia Street Area GEIS, Development Mitigation Costs were calculated to finance the required improvements identified in that GEIS. The mitigation costs were developed by calculating the cost of providing adequate services to new development in the above referenced areas. Existing deficiencies and needs were accounted for and were not assessed to new development. Mitigation costs are collected on a per unit basis (for residential development) or on a per square foot basis (for commercial

development). The Development Mitigation Costs are being used by the Town to make the required improvements identified in the Boght Road-Columbia Street GEIS to maintain adequate services to new development.

A major portion of capital improvement costs associated with new development are funded by developers. The capital improvement funding is concentrated within the confines of a proposed development and includes costs for roads, sanitary sewer, public water, storm sewer, natural gas, electric service, and recreation. Developers are also responsible for the cost of extending telephone and cable television lines into a new subdivision.

However, not all off-site capital improvement costs are borne by developers. This results from the lack of a cumulative analysis by a municipality which would estimate appropriate cost apportionment when reviewing new development proposals. Development in a municipality usually progresses to a point where the existing infrastructure (sewer, water, roads) is at or has exceeded its capacity and can no longer provide adequate service to residents.

In most towns, developments are independently reviewed with respect to specific impacts generated by that particular project. One project considered alone may not exceed the threshold which would require major improvements to upgrade adjacent or off-site infrastructure. However, from a cumulative standpoint, the combined impact of other developments that may be proposed within a given area may result in a significant reduction in the level of adequate service of existing infrastructure. The practice of reviewing projects on an independent basis within defined areas results in the "last one in" scenario for determining who will be responsible for funding required improvements. Major improvements are normally not required until a threshold is reached and the unfortunate developer whose project exceeds this threshold is generally responsible for the entire costs

of upgrading the infrastructure system. The project which exceeds the threshold however, may have only contributed to a small percentage of the total need for additional infrastructure.

Another method of financing capital improvements associated with new development is through the expenditure of local, state and/or federal tax revenues. This places the burden of capital improvement costs for new development on everyone who pays taxes.

Appropriations from the federal government which have traditionally provided a major portion of the dollars necessary for local infrastructure improvements have continued to fall. "Beginning with the Carter Administration and extending through the Reagan Administration, the federal government has progressively reduced revenue sharing grants and loans for construction and maintenance of state and local infrastructure: the basic network of facilities such as transportation, water, sewer, drainage, and park systems" (Frielich 1986). Therefore, alternative financing for infrastructure improvements must be explored. This issue is discussed in "Impacts and Mitigation Measures" below.

Utility companies are generally mandated by the New York State Public Service Commission to provide primary service within their respective jurisdictions. Costs for the installation of secondary improvements (e.g., service within new subdivisions) although installed by public utility companies, are usually incurred by the individual developer(s).

Impacts and Mitigation Measures:

1. Fiscal Considerations:

To determine the fiscal impacts of projected development in the Study Area, the cumulative costs and revenues associated with new residential, and

commercial and industrial facilities must be evaluated. This anticipated growth will result in both an increased demand and cost for these municipal services. Revenues will also be generated by new development, primarily in the form of property and sales tax dollars as well as other revenues (e.g., fees for specific services).

There are a variety of techniques available to evaluate the fiscal impacts of development. For the purposes of this FGEIS, a handbook published by CDRPC entitled, Fiscal Impact Analysis :A Guidebook, Second Edition 1987, was used. This method can be used to evaluate both residential and non-residential projects as well as the cumulative effects of a group of projects. It utilizes an average costing technique which assumes a linear relationship between the costs attributed to a new development based on the average costs per unit at present service levels. This method will not account for existing excess or deficient capacity that might exist for a specific service. For example, if new development will require the construction of a new Town-owned and operated wastewater treatment facility, this method will not account for the significantly higher cost of the new facility.

In order to project development costs more accurately, necessary future improvements and associated costs have been detailed in other chapters of Section II of this FGEIS. These costs are summarized later in this chapter.

The Fiscal Impact Analysis was prepared for both the Town and Village of Colonie. This analysis utilized 1990 dollars and no adjustments have been made for inflation. Therefore, in the future, these costs and revenues will require monitoring and adjustments to reflect more accurate predictions of actual costs and revenues. Base information from the 1989 Town and Village budgets and 1989-1990 South Colonie, North Colonie, and Niskayuna School District budgets were utilized in this analysis.

The worksheets used to complete the Fiscal Impact Analysis are included in Appendix 5. Information gathered to complete the analysis included resident and student populations, municipal and school district budgets, property tax rates, the local equalization ratio, total number of land parcels, and the total localized real property value of all tax paying properties.

Estimated future municipal and school costs were obtained by calculating existing per capita expenses for both municipal and school district budgets. These per capita costs were projected through the year 2005 and were based on anticipated growth within the Study Area under the Cumulative Growth Scenario.

Municipal and school district revenues are derived from a variety of sources that can be difficult to project. The largest revenue sources for the Town and Village of Colonie in the 1989 budget are real property taxes and sales tax revenues. A variety of state aid revenues are also included in these 1989 municipal budgets.

Future property tax revenues are based on the projected value and number of potential new housing units and commercial and industrial development projects. User charges, sales tax, license and permit fees, and fines and forfeitures are also calculated based on the expected population in the Study Area in the year 2005. State Aid is often contingent on the wealth of a community. As a community develops and prospers, the value of some of these revenue sources may be reduced. Current trends indicate that levels of federal and state aid are decreasing, resulting in higher financial burdens for individual municipalities and school districts. For this reason, all state aid revenues, except per capita aid, were projected conservatively based on existing state aid and the 1989 Study Area population.

Major sources of school district revenues include real property taxes and state aid. Table II-O-1 outlines budgeted property tax and state aid revenues for the three school districts in the Study Area in the 1989-1990 school year.

TABLE II-O-1
MAJOR SCHOOL DISTRICT REVENUE SOURCES 1989-1990

	REAL PROPERTY TAXES	STATE AID	% OF TOTAL BUDGET
SOUTH COLONIE	21,240,954	11,639,019	94%
NORTH COLONIE	19,518,021	7,451,230	93%
NISKAYUNA	17,379,749	6,162,908	94%

As shown more than 90 percent of school district revenues are raised through real property taxes and state aid. For this reason, the revenues calculated in the model will be limited to these two major sources. Revenues, such as rental fees, athletic fees, and balances from previous years, are a comparatively small part of school budgets and can vary dramatically from year to year.

Tables II-O-2 and II-O-3 summarize costs and revenues associated with the projected development in the Study Area.

TABLE II-O-2
**MUNICIPAL COSTS AND REVENUES ASSOCIATED WITH
PROJECTED DEVELOPMENT IN THE STUDY AREA
(BASED ON FISCAL IMPACT MODEL ANALYSIS)**

Municipality	Costs	Revenues	Surplus/Deficit
Town of Colonie	\$1,155,455	\$2,281,524	+\$1,126,069
Village of Colonie	\$ 83,100	\$ 108,474	+\$ 25,374

TABLE II-0-3

SCHOOL DISTRICT COSTS AND REVENUES ASSOCIATED WITH
PROJECTED DEVELOPMENT IN THE STUDY AREA
(BASED ON FISCAL IMPACT MODEL ANALYSIS)

SCHOOL DISTRICT	COSTS	REVENUES	SURPLUS/DEFICIT
SOUTH COLONIE	\$3,572,000	\$3,469,726	- \$ 102,274
NISKAYUNA	\$ 481,814	\$ 624,560	+ \$ 162,746
NORTH COLONIE	\$2,040,335	\$4,835,032	+ \$2,794,697

Although the Town and Village and two of the school districts show a surplus in funds in the year 2005, it is important to note that these projections do not include capital improvements or some recurring municipal expenses that are necessary to maintain existing levels of services as growth continues.

To identify further the fiscal impacts associated with projected development under the Cumulative Growth Scenario, capital improvement and annual operating costs discussed in previous sections of this report must also be evaluated. The density and distribution of growth will require capital improvements in the areas of recreation, transportation, stormwater management, sewer, and water. In addition, the police department, emergency medical services department, fire departments, and school systems will require new equipment, personnel and additional office or classroom space. Table II-O-4 outlines the net costs associated with development, both from a capital improvement and personnel and operating cost standpoint.

**TABLE II-0-4
COSTS ASSOCIATED WITH PROJECTED DEVELOPMENT
IN THE STUDY AREA**

CAPITAL IMPROVEMENT COSTS	COST (1990 DOLLARS)
WATER SERVICE	\$ 9,033,448
TRANSPORTATION (OPTION 1)	\$ 91,405,200
TRANSPORTATION (OPTION 2)	\$119,018,850
RECREATION	\$ 384,840
FIRE	\$ 725,220
 SUBTOTAL (W/OPTION 1 TRANSPORTATION COSTS)	 \$101,548,708
SUBTOTAL (W/OPTION 2 TRANSPORTATION COSTS)	\$129,162,358
 <u>OTHER COSTS</u>	
POLICE	\$ 400,000
EMERGENCY MEDICAL SERVICES	\$ 360,000
EDUCATION (BY SCHOOL DISTRICT)	
NORTH COLONIE	\$ 3,099,949
SOUTH COLONIE	\$ 240,000
NISKAYUNA	\$ -0-
 GEIS PREPARATION	 \$ 213,500
 SUBTOTAL	 \$ <u>4,313,449</u>
 Total Costs (w/Option 1 Transportation Costs)	 \$105,862,157
Total Costs (w/Option 2 Transportation Costs)	\$133,475,807

TABLE 11-0-5
AIRPORT AREA ESTIMATED DEVELOPMENT MITIGATION COSTS

IMPROVEMENT	UNIT MEASURE	COST ¹	COMMENT
Water-Residential	Dwelling Unit	\$ 2,309	See cost apportionment in Section 11.G.
Water-non residential	Sq. ft. bldg. space	\$ 0.90	See cost apportionment in Section 11.G.
Transportation-Residential (Option 1)	Dwelling Unit	\$ 4,159	Includes ROW costs of \$30,000/acre undeveloped land, \$90,000 developed land, 5% background growth accounted for.
Transportation-Office (Option 1)	Sq. ft. bldg. space	\$ 11.09	See Above
Transportation-Retail (Option 1)	Sq. ft. bldg. space	\$ 14.16	See Above
Transportation-Industrial/Warehouse/Manufacturing (Option 1)	Sq. ft. bldg. space	\$ 5.45	See Above
Transportation - Airport Enplanements (Option 1)	Lump Sum	\$10,938,744	See Above
Transportation-Residential (Option 2)	Dwelling Unit	\$ 5,415	See Above
Transportation-Office (Option 2)	Sq. ft.	\$ 14.44	See Above
Transportation-Retail (Option 2)	Sq. ft. bldg. space	\$ 18.43	See Above
Transportation-Industry Warehouse/Manufacturing (Option 2)	Sq. ft. bldg. space	\$ 7.10	See Above
Transportation-Airport Enplanements (Option 2)	Lump Sum	\$14,241,384	See Above
Recreation	Dwelling Unit	\$ 243	
GEIS Preparation	Acre	\$ 25.12	

¹ Costs do not include administrative costs, legal costs or debt service retirement associated with potential bonding.

Most of the costs in Table II-O-4 have been further reduced to Development Mitigation Costs and are shown on Table II-O-5. Costs were calculated on a per unit basis for residential units and a square foot basis for non-residential uses. Development Mitigation Costs were also calculated for the airport based on the projected number of additional enplanements by the year 2005 and the volume of additional traffic generated by this increased activity.

For illustrative purposes, examples of development mitigation costs have been calculated for hypothetical commercial and residential projects within the Study Area as follows:

TABLE II-0-6

**DEVELOPMENT MITIGATION COST CALCULATION
HYPOTHETICAL OFFICE PROJECT**

Project Statistics:

Type: Commercial-Office
 Building Size: 10,000 SF
 Lot Size: 1 Acre

MITIGATION	TOTAL COST	
	OPTION 1	OPTION 2
WATER	\$ 9,000	\$ 9,000
TRANSPORTATION	\$110,900	\$144,400
RECREATION	-0-	-0-
GEIS PREPARATION	\$ 25	\$ 25
TOTAL	\$119,925	\$153,425

TABLE II-0-7

DEVELOPMENT MITIGATION COST CALCULATION
HYPOTHETICAL RESIDENTIAL PROJECT

Project Statistics:

Type: Single Family Residential Subdivision
 Building Size: 100 Lots
 Lot Size: 50 Acres

MITIGATION	TOTAL COST	
	OPTION 1	OPTION 2
WATER	\$230,900	\$230,900
TRANSPORTATION	415,900	541,500
RECREATION	24,300	24,300
GEIS PREPARATION	1,256	1,256
TOTAL	\$672,356	\$797,956
TOTAL PER UNIT COST	\$ 6,724	\$ 7,980

If a municipality were to collect mitigation costs in accordance with Table II-O-5, these costs could be levied as a one time lump sum payment upon final project approval or collected over a period of time to reduce the potential financial burden on the developer. Any number of options could be explored to determine which set of payment arrangements would best suit the needs of the municipality and the developer.

Mitigation costs could also be assessed on a annual basis for new development similar to the manner in which property taxes are collected. Costs could be spread over the 15-year planning period so that a developer would not need to make a full, up-front payment for mitigation costs levied by the municipality. This method would be particularly well-suited for structures such as apartments or leased commercial space. Owners of such property normally rely on a payment stream from rents to cover debt service and operating and maintenance costs. Until such a property becomes substantially occupied it is difficult for an

owner to cover all debts which may be incurred. As a result, lump sum mitigation costs would make it more difficult for a developer to build such rental property.

How mitigation costs are recovered by the lead agency and other involved agencies will need to be determined in their Statement of Findings. However, it would be prudent to consider a common method to assess all identified mitigation costs represented in Table II-O-5 to simplify their collection.

Development Mitigation Costs have not been calculated for school and fire districts. Neither the Town, Village, nor County has the legislative authority under New York State Law to collect funds for distribution to other agencies. If any of the school or fire districts identifies the need for additional land as a result of development projected under the Cumulative Growth Scenario, then the appropriate municipality could acquire land through the plan review process as individual projects are presented to local planning boards for necessary approvals.

Development Mitigation Costs also have not been calculated for additional expenses associated with police protection and emergency medical services. These Town costs are not capital improvements but reflect additional annual operating expenses which should be included in the Town of Colonie annual budget. These costs, estimated at \$760,000, could be fully paid through the projected surplus in revenues generated by future development in the Town as determined by the Fiscal Impact Model. As previously shown in Table II-O-2, the Town of Colonie should realize a budget surplus of \$1,126,069 as projected by the model. If additional costs associated with police protection and emergency medical services are incorporated into the Town's annual budget, there should still be a surplus of approximately \$366,000.

Development Mitigation Costs for transportation improvements are shown on Table II-O-5. The proposed improvements include work on town, county, and state roadways. As stated above, the Town lacks the authority under State Law to collect funds for distribution to other agencies. Therefore, some method of collecting and distributing transportation these funds must be developed.

The Study Area will require a complex set of highway improvements and a coordinated approach must be taken to determine the phasing of improvements based on where and when future growth occurs in the Study Area. Due to the complexities involved, it is recommended that the Town, Village, and County explore the feasibility of designating one entity to administer a transportation improvement program for all proposed roadway projects within the Study Area.

One agency, selected by the Town, Village, and County could eliminate any duplication of effort between municipalities and lack of coordination which might occur if each municipality were to undertake roadway improvements within the Study Area. The Village, Town, and County would need to develop a detailed intermunicipal agreement which would clearly delineate the responsibilities and obligations of each municipality and establish the duties of the designated agency. This intermunicipal agreement should be in place prior to the development of any Capital Improvement Plans. This agency would be charged with the following tasks:

- o collect all Transportation Mitigation Costs from new development within the Study Area;
- o develop a capital improvement program for all required roadway projects; this program must be flexible to respond to actual development and location of specific needs in the Study Area;

- o perform additional site-specific environmental studies as may be required; and
- o award and administer design and construction contracts for roadway improvements.

This agency could collect revenues from the Town, Village, and County for the cost of roadway improvements not attributable to new development during the planning period (i.e. background traffic which has been estimated at 5 percent). In addition, the agency could collect the local share of any state roadway improvements within the Study Area.

The Village of Colonie should collect Development Mitigation Costs for capital expenditures related to the water and recreation improvements in the Study Area. However, since the capital improvements would be undertaken by the Latham Water District and Town of Colonie Recreation and Parks Department, the funds collected by the Village would need to be transferred to the appropriate agency. This transfer of funds would need to be accomplished through some form of intermunicipal agreement between the Town and Village of Colonie.

For the purposes of this FGEIS, funding sources such as state aid or grants that would tend to offset the Development Mitigation Costs were not calculated. It is difficult to estimate the amount or type of aid that may be available during the implementation of some of these improvements. In addition, to be conservative, legal fees and bonding costs have not been included in Development Mitigation Costs.

Development Mitigation Costs for water and recreation improvements must be further refined by the Town through the development of capital improvement plans to ensure that there is a balance between infrastructure, future development, and available funding. The Town must periodically monitor growth to ensure that

development progresses as projected in the FGEIS. If there is significant deviation from the development projections under the Cumulative Growth Scenario, then the Town will need to revise the capital improvement plans and Development Mitigation Cost structure to maintain the required balance between development, infrastructure, and funding.

2. Funding Mechanisms:

Increased development in the Study Area may facilitate associated improvements to the transportation system, utilities (sewer, water, natural gas, telephone, and electric), municipal services, and recreational facilities. Financing for these improvements could continue as it has in the past which is discussed earlier in this section. However, with reduced support for infrastructure improvements from the federal and state governments, innovative financing techniques should be explored.

Development Mitigation Costs have been calculated and are shown in Table II-O-5. Other innovative financing techniques which could be considered include impact fees, development excise taxes, Transportation Development Districts, and negotiated developer contributions. These financing techniques are discussed below.

"An impact fee can be defined as a monetary charge imposed by a local government on new development to recoup or offset a proportionate share of public capital costs required to accommodate such development with necessary public facilities" (Nicholas 1987). Impact fees have evolved in states such as Florida and California which have experienced rapid growth with declining revenues for capital improvements. The basic premise behind impact fee implementation is the protection of the health, safety, and public welfare.

Impact fees can be used to fund capital improvements for various public services including water and wastewater facilities, public safety, roads, recreation, solid waste, public buildings, schools, libraries, and cemeteries.

Previous court decisions in other states have established the legal precedence for what is known as the rational nexus test which sets the framework for impact fee implementation. General principles of the rational nexus test include (Nicholas, 1988):

- o the need for additional capital facilities that will be financed with impact fees must be a consequence of new development rather than arising from existing developments;
- o the charges or fees imposed on a new development must be no more than a proportionate share of the local government's cost of new capital facilities needed to serve new developments; and
- o the revenues raised must be managed and expended at such time that the development paying the fee will receive a substantial benefit from the improved facility.

"Thus, the utilization of impact fees is subject to an "earmarking" requirement, a needs test, a benefit test, a geographic relationship between the development subject to the fee and the location of the public improvement, a temporal relationship between the time of payment of the impact fee and the timing of provision of the public facilities funded by the impact fee, and the amount of the impact fee in relation to the reasonable pro-rata share of the costs of capital improvements required by virtue of new development" (Strauss 1988).

The use of impact fees in New York State is limited, and thus case law addressing impact fees is also limited. However, a significant decision was rendered in the case of the Albany Area Builders Association, et al. versus Town of Guilderland. As a result of the imposition of a Traffic Impact Fee Law (TIFL) by the Town of Guilderland, the Albany Area Builders Association, et al., sued the Town on the grounds that they did not have the authority to impose such a fee. The Supreme Court - Appellate Division concluded that the Town did not have statutory or constitutional authority to adopt the TIFL and that the law is invalid for the lack of such authority.

As a result of the above mentioned decision, the Town of Guilderland appealed. The court affirmed the decision on the grounds that the State has enacted a comprehensive and detailed regulatory scheme in Town and Highway Law in the field of highway funding, which pre-empts local legislation on that subject. As a result the controversial question regarding whether impact fees are permitted by statute was not discussed. At this time impact fees cannot be instituted in New York State; however, they may be a valid funding mechanism in the future.

One potential method of financing transportation improvements is known as Transportation Development Districts (TDDs). TDDs are similar to special assessment districts, in that owners of property which will benefit from a public improvement will bear the cost of that improvement. New York State currently does not have any statewide enabling legislation for the establishment of TDDs. Without the enactment of statewide enabling legislation, municipalities must establish local legislation to establish TDD's in their jurisdiction. Several local laws of this nature have been successful in the past. The NYSDOT is able to assist any municipality in developing the necessary legislative language but believes that statewide legislation to give all localities the authority to create a TDD would be more appropriate.

As with impact fees, the issue of geographic distribution of the costs and benefits is important. It is important to structure districts in such a way that costs, in general, approximate the benefits within a defined area.

Another form of financing public improvements associated with new development is the imposition of development excise taxes. As defined by the U.S. Supreme Court, "an excise tax is a tax imposed upon a particular use of property or the exercise of single power over property incidental to ownership" (Strauss 1988). In relation to property ownership, "when a tax is levied on only one of the many incidents of ownership and all other incidents may be fully enjoyed free of the tax, the tax will be characterized not as a property tax, but as an excise tax" (Strauss 1988).

As with an impact fee, a municipality must have authority for enacting an excise tax. "A number of states, including Arizona, California, Colorado, Kansas, Maine, Maryland, New York, Pennsylvania, Tennessee, and perhaps West Virginia, allow the imposition of an excise or privilege tax by a local government on the business of new construction" (Strauss 1988).

The major difference between a development excise tax and development impact fee is that a development excise tax "is not subject to a reasonable relationship, needs nexus, or rational nexus tests; therefore, monies collected need not relate specifically to needs created or benefits accruing to a particular development, and are not subject to geographic or temporal nexus requirements" (Strauss 1988). Thus, the main purpose of the tax is to raise revenues. An impact fee's purpose is regulatory in nature; land use or development is regulated by assuring the provision of adequate public facilities to serve the new development.

According to Strauss (1988), the following guidelines should be incorporated by a municipality in drafting an excise tax on the business of development:

- o impose the tax on the activity of development rather than on the property or the property owner;
- o avoid specifically "earmarking" the revenues collected;
- o state expressly and clearly that the purpose of the tax is to raise revenues;
- o set the amount of the tax at a reasonable level both to avoid charges that it is confiscatory and to avoid allegations that the principal intent of the tax is to regulate (i.e., limit) growth;
- o avoid tying imposition of the tax to a regulatory process (e.g., subdivision approval or building permit issuance) if the tax is collected at such time;
- o do not base the amount of the tax on the assessed valuation of property; and
- o Insure that the tax is nondiscriminatory in its application.

If properly implemented, development excise taxes may provide a viable alternative for financing improvements associated with new development.

Another form of financing public improvements associated with new development is the continuation of negotiation with developers for contributions on a case-by-case basis. This is the traditional method for raising monies along with improvements initiated by developers in lieu of financing associated improvements.

One disadvantage of negotiating with developers on a case-by-case basis versus an impact fee or development excise tax is that case-by-case negotiations may not totally realize all impacts associated with new development and may also pertain to improvements of a localized nature. An impact fee or development excise tax would allow the Town and Village to implement mitigation which is based on an overall comprehensive review of future development.