

# Lenox Planning Board Recommendations: Local Tax Incentive Procedure

## Members Split in Supporting Tax Incentives

<u>Key Points of Concerned Supporters</u>	<u>Key Points of Members Opposed</u>
<ul style="list-style-type: none"><li>• Potential opportunity for development of blighted or vacant sites</li><li>• Encourage investment in Lenox</li><li>• Address financing gaps to develop challenging sites</li></ul>	<ul style="list-style-type: none"><li>• Unfair to existing Lenox businesses</li><li>• Diverts Town resources from other priorities</li><li>• Pits neighboring communities against each other fighting over incentives</li><li>• Better to tax new development fully and fairly allowing investment in services and infrastructure that make Lenox a desirable community—for businesses and residents</li></ul>

## Board Unanimous in Recommending a more Comprehensive Approach to Economic Development

## Concerned supporters cite the following key reasons:

- Business tax incentives provide the potential opportunity for blighted or vacant sites to be redeveloped and transformed into tax- and job-generating properties.
- Provide additional incentive to businesses considering a Lenox location.
- May alleviate pressure for start-up or expanding businesses seeking to develop or redevelop vacant sites.
- May help address financing gaps for businesses seeking to develop or redevelop challenging sites.

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## Members expressing opposition cite the following key reasons:

- Unfair to businesses already invested in Lenox.
- Pits local communities against each other, with businesses that receive the incentives the only “winners.”
- The Town is in healthy financial shape with new and proposed development poised to generate more than \$3 million in incremental real estate, hotel and meals tax revenues to the Town within the next few years.
- Better to tax new development to its full and fair potential and invest these revenues back into the key things that will allow Lenox to be a desirable community:
  - Great schools;
  - Well-maintained infrastructure; and
  - Solid finances including an ‘AAA’ municipal bond rating.
- Business tax incentives divert resources from education, infrastructure, debt management, and other Town priorities to private business enterprises with no guarantee of success.

## Comprehensive approach to economic development:

- Take a broader look at the split tax rate in Lenox.
- Identify priority development sites for compatible zoning and expedited permitting processes.
- Encourage Town departments, boards and committees to improve the policies under their control that contribute to economic development and communicate this to the public.
  - Town continues capital investments in physical infrastructure in C & I districts .
  - Key Planning Board Actions:
    - Consider whether PB preliminary site plan review necessary;
    - Improve parking and loading requirements in the Village;
    - Review commercial zoning in Lenox Dale; and
    - Update the Accessory Dwelling Unit and other housing bylaws to increase lower-cost housing for business' employees as well as current residents.
  - Historic District Commission to update bylaws to streamline process for applicants.

## **(Cont'd) Broader approach to economic development:**

- Better promote the Lenox story to draw businesses to our community:
  - Excellent schools;
  - Well-maintained infrastructure;
  - Solid finances ('AAA' municipal bond rating); and
  - High quality of life.
- Promote existing assets and infrastructure including high-speed broadband in the downtown area; engage with state authorities to help accelerate the high-speed broadband connection process, and once that is resolved, assist businesses in navigating the connection process.
- Engage with residents and local employers to update the 1998 Economic Development Study.

## Suggested amendments to the draft Local Tax Incentive Procedure:

### ✓ Prioritize:

1. **Supporting diverse economic development**
2. **Targeting areas for development**
3. **Encouraging and attracting businesses with growth potential and jobs with livable wages and career development potential.**

Key recommendations to amend the current plan:

- Target the plan to businesses that diversify the commercial tax base.
- Target the plan to locations in greatest need of economic development and/or revitalization.
- Target the plan to businesses that provide good wages and career potential.
  - Include criteria concerning jobs that explicitly emphasize the type, tenure, wages and benefits of jobs being provided by prospective businesses.

## (Cont'd) Suggested amendments to the draft Local Tax Incentive Procedure:

- Include a focus on attracting small businesses, which typically have greater growth potential and may provide higher-paying jobs.
  - As one Planning Board member put it: **“The Berkshires does not have a jobs problem – it has an income problem.”**
- Eliminate hotels/motels/lodging and retail operations from consideration, as these (1) locate by market decisions, and (2) do not typically offer many jobs with good wages or career mobility potential.
- Build a solid plan on how business tax incentive agreements will be monitored to ensure that milestones are achieved during the course of the agreements.
- Do not start a new committee. We already have too many committees and too few people to participate in them.

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**A suggested “scorecard”** -- If a Local Tax Incentive Procedure were to be forwarded to Town voters, consider starting a community discussion around a “scorecard” focused in this direction – this is a **starting point** for discussion:

<b>Assessment:</b>	<b>Number of points</b>
Activates identified empty buildings/parcels in the Lenox Dale industrial area  or  Redevelops a building vacant for more than five years	50 points  or  25 points
Diversifies the commercial tax base – [either non-tourism or a grows-the-pie opportunity within tourism]	Up to 25 points
Provides livable wages – grows the number of employees who could afford to live in Lenox <ul style="list-style-type: none"> <li>• 10 points @ FTE &gt; \$50,500</li> <li>• 5 points @ FTE &gt; \$40,000-50,500</li> <li>• 1 point @ FTE &lt; \$40,000</li> <li>• 0 points @ FTE for J-1, H-1 visa, etc.</li> </ul>	TBD
Near-, medium-, and long-term job growth potential for the proposed business	Up to 25 points
<b>TOTAL</b>	Total TBD

An applicant must score a minimum of **100 points** to be considered for an incentive.



# Lenox Planning Board

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**LenoxPlanningBoard.com**  
(not case sensitive)

## Members:

Kameron Spaulding, Chair  
Tom Delasco  
Pam Kueber  
Deborah Rimmler  
Kathleen McNulty Vaughan

The screenshot displays the Lenox Planning Board website. At the top, the title "Lenox Planning Board" is in a large, orange, serif font. Below it, a subtitle reads "Goals, meetings, materials, and recommendations of the Lenox, Massachusetts, Planning Board." A navigation bar contains links for "HOME", "2016-17 PLANS AND RECOMMENDATIONS", "CONTACT US", and "GOVERNANCE".

The main content area features three meeting agenda entries, each with a headline, a date, and a brief description. The first entry is for the "Oct. 5, 2016 Meeting – Agenda, Materials and Minutes", dated September 28, 2016, by Pam Kueber. The second is for the "Sept. 27, 2016 Meeting – Agenda, Materials and Minutes", dated September 26, 2016, also by Pam Kueber. The third is for the "Sept. 21, 2016 Meeting – Agenda, Materials and Minutes", dated September 20, 2016, by Pam Kueber.

On the right side, there are two sections: "Upcoming Meetings" listing dates from Oct. 5 to Dec. 13, and "For Planning Board Members" with a link to "Click here for fall 2016 training sponsored by Citizen Planner Training Collaborative". A note states: "NOTE: Other meetings, information sessions, and/or public hearings may be added to the calendar. Official notifications are posted in Town Hall at least 48 hours prior to a scheduled session."