



Local Economic Acceleration Plan (LEAP)

Part 2: Revenue Generators: Up to \$111.3 million in State and County Revenues

Our second installment of the Local Economic Acceleration Plan (LEAP) series features actions that could help generate revenue for local governments. It is important to remember that as County revenues are clearly connected to our local economic performance, there is a direct correlation between County government and kitchen table issues: including unemployment, childcare, healthcare, and housing. We need to look to innovative and proven solutions that can help reinforce Nassau County as a place with opportunity for all residents and better align the County for the demands of the post-COVID economy.

\$17 million+



Vacant Underutilized Land

Obsolete sumps, vacant strip malls, and parking lots can be used for redevelopment. Over a six-year period, multi-family residential developments generated approximately \$2.1 million in school tax revenues in Farmingdale, while the revitalization of downtown Patchogue led to \$6.6 million in school tax revenues and \$8.3 million in total annual sales tax between 2000-2017.

\$200,000



Short-Term Rentals

Nassau County currently is not one of the 33 counties across New York State receiving possible revenue from a major short-term rental platform. Based on 2018 figures, short-term rentals hosted 25,000 guests generating \$5.3 million in revenue; however, not all hosts paid remitted taxes, costing Nassau County \$200,000 in revenue based on a 3% occupancy tax rate.

\$75 million



Sports Betting/Recreational Marijuana

Recreational Marijuana is projected to generate annual revenues of \$350 million for New York State and \$75 million for local governments using a 13% excise tax in which 9% is allocated to the state, 3% to municipalities where the sale is made, and 1% to the county. Mobile sports wagering could generate up to \$500 million in annual revenue for the state.

\$19.1 million



Real Estate Monetization/Media Location Fees

Monetizing assets is a way for Nassau County and municipalities to generate revenue. The United Bank of Switzerland (UBS) secured the naming rights to the Belmont Arena for \$17.5 million per year for 20 years. Additionally, the film industry generated \$1.6 million in sales and hotel tax revenue to Nassau County between 2013-2014 and the new Port Washington North film studio is projected to provide a net tax benefit to the County of nearly \$38 million over the next 15 years.

These revenue figures do not solely apply to Nassau County. They are examples of revenue generated and/or opportunities to generate revenue using the 4 strategies highlighted above

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What Actions Can We Take?



Vacant Underutilized Land

Our region must update its approach to the planning of land uses to reflect the changing economic conditions and demographics while also preserving the character of our suburban communities. Below are policy options that the County should consider adopting to effectively utilize vacant land for future redevelopment:

- 1 Develop a centralized online property inventory platform to track acres of land, buildings, and underutilized properties that could be used by all County departments and the general public. County departments could reevaluate vacant properties and document property status through interactive maps and other systems. This will allow businesses to gain a better investment insight in the County. Additional features of the online property inventory platform could include:
 - Project trackers that identify ongoing infrastructure projects and housing programs to provide transparency.
 - A one-stop online platform that showcases best practices and features helpful information for small business development.
- 2 Update zoning codes where appropriate in targeted areas to increase multifamily housing units and transit-oriented developments (TODs); and
- 3 Invest in green infrastructure and green "lots" that provide ecosystem services, taking the form of green space, public open space, or community gardens.



Short-Term Rentals

With the rise of short-term rentals, a partnership with companies through collection and remittance of occupancy taxes typically levied on guests' overnight stay could help generate significant funds for the County. Occupancy tax collection would also provide additional income for residents, attract tourism, and contribute to policy priorities and critical services financially.



Sports Betting / Recreational Marijuana

New York State has recently legalized marijuana for adults, which could create 30,000-60,000 jobs and generate up to \$350 million in annual tax revenue for the state using a 13% excise tax with 9% allocated to the state, 3% to municipalities where the sale is made, and 1% to the county.

Cities, towns, and villages can opt-out of retail dispensaries within their jurisdictions. However, they will not receive related tax revenue from it if they choose to do so. Counties also have no statutory authority to opt out of allowing retail dispensaries. At this time, municipalities in Nassau and Suffolk Counties are contemplating the decision to allow marijuana retailers.



What Actions Can We Take?



Real Estate Monetization/Media Location Fees

Nassau County should explore opportunities to monetize assets to generate revenue and encourage municipalities to do the same, especially as new projects are designed and built. Below are some policy options recommended to improve the process:

Real Estate Monetization

- Assess County-owned properties and specify County properties that could be re-named for sponsors;
- Establish an online portal or utilize mapping tools that list all available County-owned properties for naming rights leasing. This allows businesses to obtain a clearer perception of real estate opportunities in the County; and
- Cut red tape and help guide businesses throughout the approval process.

Media Location Fees

- Create a comprehensive website with a database of every property available for filming;
- Construct an online portal for the permitting process and a payment system so it is easily accessible for businesses and the general public;
- Implement programs that make County property available to local film-makers at a low cost. This will encourage local communities to participate; and
 - For instance, The Film Office of Greater Los Angeles Region (FilmLA) offers significantly cheaper student permits. The starting fee is \$26 for students. However, the office requires proof of student status as well as a letter from instructors stating that the projects are for educational, non-commercial use.
- Downtown Revitalization Initiatives and new infrastructure developments could attract film studios, resulting in new jobs, a boost to the local economy, and a potential for future growth.

Only the Beginning

These are just several ways in which local governments can make smart decisions to improve municipal finances, help real people make a real difference, and lead to a more sustainable economy.

In the time immediately ahead, the Comptroller's Office will continue to highlight innovative and proven solutions that can help reinforce Nassau County as a place with opportunity for all residents in the third installment to this series that will focus on cost savers.