

THE BETHLEHEM 20/20 INITIATIVE PRELIMINARY REPORT: PLANNING FOR THE CHALLENGES AND OPPORTUNITIES THAT LIE AHEAD

A. The Town of Bethlehem Comprehensive Plan

The Town of Bethlehem's first ever Comprehensive Plan (Comp Plan), adopted in August 2005, documented the fact that most Town residents and businesses found the Town to be a highly desirable community in which to live and work. The community survey conducted during the Comp Plan also documented that the Town provided high quality programs and services. The community's shared vision statement for the Town in the year 2020, which follows, was the cornerstone of the Comp Plan.

"In the Year 2020, the Town of Bethlehem is a community of attractive residential neighborhoods, vibrant hamlets, successful mixed-use commercial centers, modern industrial facilities, and productive rural lands. These are well connected by regional highways and local streets, adequately serviced by public transportation, and linked by a network of sidewalks and trails. Situated at the heart of the Capital District, Bethlehem offers convenient access to all that the region has to offer. It is recognized for the excellence of its schools, the quality of its public safety and community services, the abundance of its recreational opportunities, the productivity of its local businesses, ten miles of Hudson River waterfront, and the beauty and health of its natural environment. This exceptional quality of life contributes to the economic growth and prosperity of the town and the region, assuring that the community can continue to meet the increasingly diverse needs and expectations of its residents in a fiscally sustainable manner."

This vision statement resulted from the dozens of public meetings that took place as part of the planning process over an eighteen month period beginning in April 2004. By its nature, this vision statement relates to land use, growth patterns and overall quality of life in the Town. In an effort to assist Town government in achieving this community vision for the year 2020, the Town Board established the Bethlehem 20/20 Advisory Committee (20/20) in January 2008. The 20/20 committee will provide the Town with recommendations on how best to confront the challenges and opportunities that lie ahead and ensure that the Town retains its highly desirable characteristics.

B. The Changing Operating Environment for the Town Government

Much has changed since the adoption of the Comp Plan in 2005. On the positive side, the Town has helped to cultivate economic initiatives including the Vista Technology Campus in Slingerlands and the formation of a working group of public and private sector officials to promote business expansion in the Selkirk Yards Industrial District. The Town has also completed major planning initiatives for the Rt. 9W

THE BETHLEHEM 20/20 INITIATIVE PRELIMINARY REPORT: PLANNING FOR THE CHALLENGES AND OPPORTUNITIES THAT LIE AHEAD

and Rt. 144 (riverfront) corridors and is currently preparing farmland and open space protection plans. However, the current global economic downturn has negatively impacted most if not all local governments like Bethlehem, which are facing significant fiscal and operational challenges. Among other things, reflecting the national and state recession, major economic development initiatives and community business investments have stalled; there is downward pressure on real estate values; and many Town residents and organizations are experiencing financial duress. Even before the recession, Bethlehem, like many similar communities, faced growing pressure to modernize aging public infrastructure. It is within this context that complex decisions need to be made in order to ensure the sustainability of our Town Government. When launched in January 2008, the 20/20 planning initiative was seen as the prudent and right thing to do to help the Town continue planning for the future. Now, given the current economic and fiscal circumstances, this type of planning has become essential.

C. Paying for Town Infrastructure, Programs and Services

With the assistance of Town staff and outside consultants, the 20/20 Advisory Committee has analyzed Town operations by reviewing trends and practices related to Town finances, programs, services and infrastructure investment needs. The committee has also considered the financial impacts of alternative growth scenarios to determine the extent to which growth of the Town's commercial tax base can assist in supporting the financial needs of Town government. The following are some of the key findings:

1. Property owners tend to undervalue the essential programs and services that are provided by the Town Government. These programs and services account for approximately 12% of a property's overall tax levy. This broad range of essential services includes; highway maintenance, public safety, operation of water, sewer and storm water systems, parks and recreation, and senior services and various administrative functions;
2. The balance between the residential and commercial property tax base is disproportionate and appears to be exceedingly reliant upon the residential assessments. Currently the residential assessment accounts for nearly 80% of the Town's overall assessed valuation;
3. Contributing to the disproportionate assessment allocation to the Town's tax base is the fact that the Town's commercial and industrial base is concentrated in a relatively small number of

**THE BETHLEHEM 20/20 INITIATIVE PRELIMINARY REPORT:
PLANNING FOR THE CHALLENGES AND OPPORTUNITIES THAT LIE AHEAD**

properties; hence, a single plant closing could impact the Town's overall tax base and further erode the balance between residential and commercial assessments;

4. The Town's operating expenses trend at a rate higher than inflation and outpace the ability of the property tax payers to fund the budget growth. Continued trends are unsustainable and will likely deplete operating reserves and fund balances;
5. Insufficient operating revenues have resulted in capital and infrastructure improvement deferral. Continuing this practice will result in compounded future costs, impacting tax levies and property values;
6. The demographics of the Town are changing, which will likely result in a shift in service and program needs as well as investment priorities; and,
7. Economic development alone is not a solution to this problem. In considering alternative growth scenarios, the amount of development necessary to balance the Town's budget would be both extremely unrealistic to achieve, and incompatible with the character of the Town.

D. Potential Solutions

In recognition of the above considerations, the Committee has identified some potential solution paths to share with the Town's residents. Among the potential solutions identified by the Committee are the following:

1. Continue to cultivate a highly focused economic development program that encourages quality, "shovel ready" non-residential development in appropriately planned areas of Town;
2. Consider opportunities to share tax revenues with other taxing jurisdictions based on the relative costs and benefits associated with new development in the Town;
3. Leverage Town resources through external revenue sources such as inter-governmental and foundation assistance;
4. Reduce costs by eliminating programs and/or prioritizing and funding fewer services;
5. Explore structural changes to the Town Government to determine potential efficiencies and prospective operational savings;
6. Distinguish between primary and secondary programs and services and establish reasonable user fee where appropriate;

**THE BETHLEHEM 20/20 INITIATIVE PRELIMINARY REPORT:
PLANNING FOR THE CHALLENGES AND OPPORTUNITIES THAT LIE AHEAD**

7. Explore opportunities for shared municipal services with other taxing jurisdictions including Albany County, the Town's school and fire districts, and other nearby municipalities; and,
8. Encourage a more collaborative environment among the Town's various taxing jurisdictions, to foster greater accountability and equity to the community and provide quality public services in the most efficient manner possible.

E. The Importance of Public Participation

The 20/20 Advisory Committee and the Town Administration recognize the need for public understanding and involvement in this process. Towards this end, the committee will conduct a random sample community survey in March and April, 2009 to obtain resident input on the challenges and potential solution paths for the Town to follow. In addition, 20/20 will conduct a public meeting on Wednesday, May 13 at 7:00 PM in the Town Hall Auditorium to obtain citizen input. The committee will utilize this feedback in finalizing its recommendations to the Town Board. When it completes its work in mid-2009, the 20/20 Advisory Committee will produce a final report that includes recommendations with respect to fiscal sustainability, municipal infrastructure, facility needs, and programs and services.

F. The 20/20 Advisory Committee

The 20/20 advisory committee involves key Town of Bethlehem stakeholders in a community conversation about the long-term strategic direction of Town government, its programs and services, and, its fiscal sustainability. This initiative is designed to engage and cultivate community leadership, identify issues and opportunities, focus efforts, build consensus, guide decision-making, and help the Town establish priorities. Since its first meeting in January 2008, the committee has participated in monthly interactive discussions on Town programs, services and finances. (For a list of committee members and information on 20/20 meetings and presentations, follow this link to 20/20 Advisory Committee page on the Town's website:

<http://www.townofbethlehem.org/pages/AdvisoryComs/adv2020.asp>