

Mayor's Column  
February 17, 2015

Local sales tax collection is a reliable barometer of the health of the economy as a whole and local business districts in particular.

The Village just received its second sales tax payment of \$233,000 for this fiscal year from New York State bringing our current total to \$459,000 or just under 52% of our budgeted amount. This keeps us on track to hit or exceed our budget estimate. This revenue source is extremely significant. Our budgeted number of \$885,000 represents an increase of 10.16 tax points if this revenue is not generated. Every \$87,100 we lose due to less local/statewide spending raises Village taxes by 1%.

Though our projected numbers are on target, statewide, local sales tax collections grew a sluggish \$439 million or 3.0% from 2013 to 2014, representing the slowest annual growth since the end of the 2008-2009 recession. This was appreciably less than the 2012 to 2013 growth of 5.2%.

Much of the growth, however weak, was generated in New York City which accounted for 69% of the increase. The City's sales tax collection grew by \$304 million, up 4.9% from 2013-2014. Although less than the 6.8% growth seen in 2013, a strong purchasing pattern continues in New York City post-recession.

On the flip side, the increase in county sales tax collection, which directly affects Bronxville residents' total tax obligation, was only 1.3% in 2013-2014, significantly lower than the 3.8% growth experienced in 2012-2013. Sales tax revenue is critical to County budgets. It accounted for a whopping 33.2% of county revenues in 2013, the largest single county revenue generator. Almost one quarter of the county sales tax

revenue then gets redistributed to local municipalities and school districts.

Regionally, the strongest sales tax revenue increase was in the North Country Counties. However, the revenue growth is almost wholly due to actual rate increases from the 3% range to 4%. As comparison, Westchester's sales tax is 7.375%. The breakdown is as follows: New York State 4%; Westchester County 3.75%.

Long Island experienced the steepest decline ---1.4% from 2013-2014. This was due in part to the wind-down of the rebuilding efforts that followed Superstorm Sandy which caused numbers to surge.

Nassau County in particular saw the largest decline (4.3%), as the former epicenter of post Sandy spending.

The economic decline in central New York, as evidenced by the population decline and the resulting loss of Congressional seats, is also reflected in sales tax revenue. Clinton, Genesee, Oneida and Seneca Counties all continued on a steady slowdown in purchasing power as sales tax revenues keep decreasing.

Bringing it back locally, Bronxville's sales tax revenue numbers for the current fiscal year have increased from the \$830,000 range in years 2009, 2010, 2011 and 2012 to approximately \$860,000 in 2013 and \$907,000 in 2014.

This positive trend bodes well for the Village as does the recent uptick in the rental of vacant retail spaces.

New stores opening in the Village include North, an upscale women's clothier, which has contributed to making the Village a destination for unique and fine women's clothing.

Candy Rox will fill a niche for our school age children offering age appropriate accessories and birthday type gifts as well as sweet treats.

Three different style eating establishments have committed to the Village. Stillmeadow Gourmet, a farm to table take out and eat-in restaurant, will anchor the pivotal location at the corner of Meadow Avenue and Pondfield Road.

Beer Noggin, a craft and local beer emporium also serving light snack fare will take the place of the former yogurt shop. Owned by two young men in their 20's, they are excited to be in a small Village where neighbors know neighbors.

In mid-Spring, the Bronxville Diner will open opposite Peoples United Bank. The owners have a winning formula in their other diners in Darien, Fairfield and New Canaan and will replicate their style in our Village.

Every new business adds energy, vitality, additional shopping or eating options – and the always important sales tax revenue.

Bottom line, if you shop on-line versus on Pondfield Road or Palmer Avenue, the sales tax savings you reap will eventually come home to roost in the form of higher local property taxes and/or a decrease in municipal services. In contrast, a purchase made in the Village sends money directly back to our school and Village government and sends a message that you are investing in the future of our small village and all that it adds to your quality of life.