


COUNTY OF YORK

MEMORANDUM

DATE: November 21, 2017

TO: York County Board of Supervisors

FROM: Neil A. Morgan, County Administrator 

SUBJECT: Illustrative Revenue Scenarios for Former Farm Fresh Site

Mr. Zaremba recently requested that I provide comparative information related to possible County revenues for the Farm Fresh site on Merrimac Trail which will be coming before the Board as a proposed conversion to mini storage. The staff has developed three alternative scenarios in an attempt to illustrate the range of possible revenue outcomes regarding this site.

Vivian McGettigan worked with the County Assessor and the Commissioner of the Revenue to develop these alternatives. There are four business revenue sources included in the analysis which are business and professional licenses, sales taxes, business personal property, and meal taxes.

Scenario 1 – Mini Storage versus Vacant Lot

This analysis shows that the mini storage would generate approximately \$14,000 more than the vacant lot which is due to mitigating the sharp drop in the real estate assessed value should the site go dark. The current assessment which was based on the active Farm Fresh site is \$6.7 million which is estimated to drop to \$4.3 million should the site remain inactive as compared to the estimated assessed value with the mini storage of \$6 million.

Scenario 2 – Mini Storage versus Medium Level Retail

This analysis shows that if a medium level retail business should be established on the site that it is anticipated to generate \$26,000 more than the mini storage use primarily due to the business generating an estimated \$19,000 in business revenues. Additionally, the higher use of the property would result in the real estate assessment being approximately \$900,000 more than the mini storage use. The Real Estate Office considered a variety of medium level retail establishments when developing the real estate estimate. Some examples include: Dollar Tree, T J Maxx, True Value, and Harbor Freight.

Scenario 3 – Mini Storage versus Grocery Store

This analysis shows that if a grocery store similar to the Farm Fresh were to occupy the site, the revenues generated would be approximately \$216,000 more than a mini storage which is primarily due to the higher business revenues estimated at \$211,000 along with an increase in the real estate assessed value generating \$5,000 more in real estate taxes.

While I recognize this is a brief summary with unknowns related to potential future business on the property, I hope this gives you an overview of the impact of the possible options for this site. The other obvious variable is the question of the time frame that these and other scenarios might transpire. Please let me know if I can provide additional information or answer any questions.

McGettigan/3737

Copy to: Vivian A. McGettigan, Deputy County Administrator
J. Mark Carter, Deputy County Administrator

Tax Revenue Scenarios based on Alternative Uses for Closed Farm Fresh Site on Merrimac Trail



Scenario 1	Scenario 2	Scenario 3
Mini-Storage Versus Vacant	Mini-Storage Versus Medium Level Retail Dollar Tree, T J Maxx, True Value, Harbor Freight	Mini-Storage Versus Higher End Grocery Store

Mini-Storage Revenues:

Estimated Real Estate Taxes:

Estimated Assessed Value	6,035,500	6,035,500	6,035,500
Real Estate Taxes	47,982	47,982	47,982

Estimate Business Taxes:

Business License (minimum \$30)	11	11	11
State Sales Tax (1%)	9	9	9
Business Personal Property	104	104	104
Meals Tax	-	-	-
Total Business Taxes	124	124	124

Total Estimated Revenues

	48,106	48,106	48,106
--	---------------	---------------	---------------

Alternative Option:

Estimated Real Estate Taxes:

Estimated Assessed Value	4,303,200	6,903,900	6,704,300
Real Estate Taxes	34,210	54,886	53,299

Estimate Business Taxes:

Business License (minimum \$30)		3,332	30,516
State Sales Tax (1%)		14,255	116,000
Business Personal Property		1,437	27,459
Meals		-	37,321
Total Business Taxes	-	19,024	211,296

Total Estimated Revenues

	34,210	73,910	264,595
--	---------------	---------------	----------------

Alternative Produces Higher(Lower) Revenue

	(13,895)	25,805	216,489
--	-----------------	---------------	----------------

Rounded

	(14,000)	26,000	216,000
--	-----------------	---------------	----------------

Note: Estimated assessed values provided by the Real Estate Office and estimates of business taxes provided by the Commissioner of Revenues Office.