

# **ECONOMIC CONDITIONS**

## **Chapter Six**

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### Introduction:

The proposal described in the DEIS has evolved in the FEIS process. The project described in the DEIS included 186,000 SF of: bank, restaurant, and retail space. Projections for employment, tax property revenue, and sales tax revenue were based upon the DEIS proposal. Responses in the FEIS relate to questions relating to the DEIS proposal.

Many people commenting on the DEIS plan indicated a desire for a hotel be included in the FEIS proposal. The FEIS plan has evolved to include a 100+/- room hotel and 143,000 SF of retail, restaurant, bank or other service use. To accommodate the footprint of the hotel, 43,000+/-sf of retail use was removed from the proposed action.

Presently the site generates in property tax \$27,423 per year. As described in an email which follows at the end of this chapter, The Town Tax Assessor , Ms Laurie Bell, believes a 100 room hotel and 143,000 SF of commercial space, as described in the FEIS, would create a taxable value of \$50,600,000. Based on the 2014 tax rates, property taxes generated by the project would be:

Town:	3.032301	x \$50,600	=	\$ 153,434.43
County:	2.984824	x \$50,600	=	\$ 151,032.09
Fire:	0.540162	x \$50,600	=	\$ 27,332.20
School:	28.151572	x \$50,600	=	<u>\$ 1,424,469.50</u>
				\$ 1,756,268.20

Total property tax revenue will increase with the FEIS plan over the figures used to estimate the DEIS proposal. The figures increase for two reasons: first, the FEIS plan contains a four (4) story hotel of approximately 100,000+/- SF. In addition, although the total retail square footage is reduced in the FEIS plan, the size of the total building floor area in the FEIS proposal is approximately 240,000 +/- SF, a 30%± increase over the 186,000 SF floor area discussed in the DEIS due to the hotel. Second, the DEIS narrative used a very conservative estimate of construction cost to determine tax value. The project developer did not want to over-estimate tax generation.

The DEIS proposal suggests that 262+/- full time equivalent jobs will be created through the construction of 186,000 +/- SF of commercial space. Estimates of full time and part time employment at the Highlands suggests one full time employee for each 431+/- SF of space and one part time employee per 905 +/- SF of space. The FEIS proposes 143,000 SF of retail space and using Highlands as an example, 331+/- full time and 158+/- part time employees may result. A one hundred room hotel is expected to

generate 62± employees per the publication “The Traditional Hotel Industry” ( see Economic Conditions Appendix in Volume Three) . Total employment at the proposed FEIS project is projected to be 391 full time and 158 part time employees.

In regards to sales tax, the expectation is the FEIS proposal will produce less sales tax on the retail portion of the project than the DEIS plan. At 186,000± SF of retail/restaurant space, the DEIS project was expected to conservatively generate approximately \$8,000,000 in total sales tax, a generation rate of about \$43 per square foot of space per year.

The FEIS plan reduces the proposed retail/restaurant portion of the project to 143,000± SF. Using the same square foot sales generation rate, the expected total sales tax resulting from the retail portion of the project will be  $143,000 \times \$43 = \$6,149,000$ .

The FEIS includes a proposal for a 100 +/- room hotel. NYS sales tax is charged on each room rental at the normal sales tax rate of 0.08375. If a room rents at an average rate of \$115 per night, per the “Statistics Portal,” and if an occupancy rate of 70% is assumed, total sales tax generated would be  $365 \times 100 \times 0.7 \times \$115 \times 0.08375 = \$246,078$  per year. Note national room occupancy is 67% , per Calculated Risk “Finance and Economics” data. However, Putnam County has no national hotels and it has not been assumed the vacancy rate will be lower than national averages, see Economic Conditions Appendix in Volume Three.

Total sales tax generation from the FEIS proposal would be in the range of \$6,394,931. This amount is divided among three parties. The MTA share is \$239,810 (0.0375 per dollar) and the State of New York and Putnam County divide the remaining \$6,155,121±, each receiving \$3,077,560± each annually.

The FEIS proposal will generate property tax revenue to the Town, County, Fire department, and Brewster Central School District. The MTA, State of New York, and Putnam County will benefit from sales tax generation.

In regards to property tax, the 2012-2013 Brewster Central School district budget was over \$84,000,000, of that amount 79% was paid by local property taxes; a total of \$66,000,000. Property tax generation from the proposal will provide the Brewster Central School District with an addition \$1,400,000 per year in 2014 dollars.

Copies of the Annotated Neighborhood Map ( Map# 6) and the Market Area Map (Map# 11) are included in Chapter 22.

## Comment EC-1

### Chapter 4: Economic Conditions

1. **C. Operation Period:** *The FEIS should respond more directly to the scope and state where the employees would come from based on average commuting times or Journey to Work data available from the U.S. Census Bureau. Supporting evidence should be provided to support the notion that this type of project would not induce growth. (AKRF (11/12/2013))*

#### Response:

The market area described in the DEIS was generated from a drive time assumption of 30 minutes to or from the property. The commuter area correlated to the market area assumed for the nearby Highlands Shopping Center. It had been assumed that employees will likely reside in the market area. This assumption is supported by a 2011 US Census Report for Putnam County, most County residents drove to work and the average drive time was 33.1 minutes which is within the market area ( up from 25 minutes in 2010). In the Southeast area, there is limited PART bus service, most employees drive to work. Nationally, 2.7% of workers take a bus, this number would likely be similar at Crossroads. Beyond this area there are other closer shopping centers which would be attractive to employees.

The Final Report of the Putnam County Strategic Regional Transit Study of 2004 identifies that nearly all commuters travel within the market area with about 28% taking the train. Employees for this project are most likely to come from within the Market Area.

## Comment EC-2

2. **C. Operation Period:** *The DEIS does not indicate that any coordination with the Town of Southeast tax assessor has taken place. However, it is noted that the DEIS does indicate that “tax rates were taken from the 2012 Town of Southeast Tax Rate Schedule.” Coordination with the local tax assessor may be appropriate to determine the most appropriate method for property valuation, for instance. (AKRF (11/12/2013))*

#### Response:

The Town of Southeast Tax Assessor has been contacted, see letter from LADA dated May 15, 2014 and emails from Ms. Laurie Bell, the Town of Southeast Tax Assessor dated June 3, 2014. There is a follow up email which is dated June 4, 2014 also included at the end of this chapter. In this correspondence, the Southeast Tax Assessor has established the assessed value for the project for tax revenue projection purposes at \$50,600,000.

### Comment EC-3

3. ***D. The Economic Impact Analysis:*** *The FEIS should provide more detail on the profile of the most potentially competitive stores within the Town of Southeast and surrounding towns (i.e., Patterson and Danbury) in terms of variety of goods and services offered should be provided. The DEIS states that “The applicant has observed the shopping at nearby centers address a range of shopping needs.” The FEIS should provide more detail on the types of stores, goods, and services provided at these nearby shopping centers, and in particular a description of the major anchors should be provided . (AKRF (11/12/2013))*

#### Response:

The proposed project at 143,000 sf is smaller than the existing major shopping centers in town including The Highlands and Lakeview Plaza. The proposed project is now considered to be at about the same size as Towne Center which is a medium sized center for the area. The project will be consistent with respect to these other centers with a mix of retail and restaurant uses.

The developer is seeking tenants. The exact nature of the tenants are not known at this time. Dry goods merchandise including clothes and sporting goods may be likely tenants. Major anchors have not been identified. The proposed project is now smaller in size than the nearby local shopping plazas and would be expected to have a mix of tenants which varies over time.

### Comment EC-4

4. ***D. Economic Impact Analysis:*** *The FEIS should more specifically “identify any significant neighborhood character impacts, based on how the proposed project would affect businesses that define or substantially contribute to the defining character of the Town of Southeast, or if a substantial number of businesses or employees would be displaced that collectively define the character of the Town of Southeast.” The DEIS chapter does not specifically address potential neighborhood character impacts or displacement. (AKRF (11/12/2013))*

#### Response:

No specific neighborhood character impacts are anticipated. The Route 312/I 84 area is a mix of various different architectural styles and uses. The interchange is a clear commercial node which is visible from both directions on the highway as such a node. Therefore, the proposed project is consistent with the immediate area and character. There are no expected impacts or displacements expected as the proposed uses are expected to complement the existing retail and office mix and not compete with such.

The Town of Southeast regulates the architectural character of all large retail shopping centers and requires significant review of the architecture. The largest retail employment centers in the Town of Southeast might include Highlands, Lakeview Plaza and Towne Center. In these centers, supermarkets exist and a large building supply company (Home Depot), dry goods stores and numerous small shops exist. It is not expected that retail development of the Crossroads site will displace any of the businesses or employees at these facilities.

#### **Comment EC-5**

5. ***D. Economic Impact Analysis:*** *While competition among retailers is an economic issue, it can become an environmental issue if it results in displacement of business that contribute to neighborhood character. In fact, according to the SEQR Handbook (page 87), community character impacts are considered environmental. Also, agencies are required to balance environmental harm against social and economic benefits in order to approve an action (SEQR Handbook, page 152).<sup>1</sup> It could be stated that since the retail gap/leakage data indicates there is significant retail expenditure potential in the trade area to support additional retail without saturating the market, and without displacing existing business that define or substantially contribute to the defining character of the Town of Southeast, the proposed project is not expected to result in significant adverse impacts on neighborhood character. (AKRF (11/12/2013))*

Response:

Comment noted.

#### **Comment EC-6**

##### ***SECTION B: CONSTRUCTION PERIOD***

5. ***Construction Employment, Page 4-1:*** *The “independent construction advisor” noted on page 4-1 should be specified and more information should be provided as to how the employment estimates were arrived at (e.g. whether an impact analysis model was used). (AKRF (11/12/2013))*

Response:

The independent retail leasing and construction advisor, Goddard Development Partners, LLC, advises developers on retail project development. Estimates of construction employment are based on their experience working with tenant leases; abstract models were not used in the DEIS which assumed 250 jobs would be created. Based on Urban Land Institute modeling, this project would create 150-160 construction jobs, with annual salaries totaling \$7,232,000 (2010 Census data states the average construction job pays

\$45,200). The DEIS used a salary of \$30,000 to generate approximately \$7,500,000 in annual salaries.

#### **Comment EC-7**

6. *Construction Employment, Page 4-1: The text is unclear in defining the construction jobs as full versus part-time, leading to a potentially incorrect and over-stated estimate of the number of full-time direct and indirect construction jobs associated with the proposed project. Construction jobs should be reported in person-years which are the equivalent of one person working full time for one year, so as not to overestimate the number of construction jobs and often construction workers work part-time and for only a certain period in a given year. It should be clarified whether the 250 direct construction jobs that are reported are in person-years; if not, the reported direct income from the project during construction (\$7,500,000), based on an average salary of \$30,000 per year, is likely overstated. (AKRF (11/12/2013))*

#### **Response:**

The text in the DEIS should have clearly reported the jobs in person years. The estimate was based on experience for the scale of the project. The US Census Bureau indicated in 2012 the average salary of a construction worker in the US was \$45,200. To avoid overestimating employment income, the estimate was reduced by 1/3 to \$30,000.

#### **Comment EC-8**

7. *Construction Employment, Page 4-1: A source should be provided for the averaged salary for construction workers of \$30,000 per year. (AKRF (11/12/2013))*

#### **Response:**

US Census data for 2012 indicate the average construction job pays \$45,200 per year. The estimate of \$30,000 was used to present a conservative value.

#### **Comment EC-9**

8. *Construction Employment, Page 4-2: IMPLAN was used to check the estimated direct and indirect construction jobs based on construction costs (\$25,480,000). The result was 114 direct, 29 indirect, and 52 induced person-years of*

*employment from construction of the proposed project (a “person-year” is the equivalent of one person working full-time for one year). Therefore, the direct employment figures reported in the chapter appear to be substantially overstated. (AKRF (11/12/2013))*

Response:

The construction employment figures were based on experience of the construction advisor who has indicated that labor costs can be 50% of a project.

#### **Comment EC-10**

9. *Construction Costs, Page 4-2: Please reword the statement that “materials usually consume 40% to 50% of a construction budget” to indicate that this assertion is based on applicant’s estimates of project construction or some other source that is more factual. (AKRF (11/12/2013))*

Response:

Acknowledged. The construction advisor estimates that materials consume up to 50% of a project budget.

#### **Comment EC-11**

10. *Construction Costs, Page 4-3: The Metro Commuter Transportation District rate appears to be 0.375 percent rather than 0.25 percent. (<http://ny.rand.org/stats/govtfin/salestax.html>.) Please confirm that this rate should be applied to the County sales only and not to sales in all of the state. (AKRF (11/12/2013))*

Response:

The MTA tax is 0.375% and it applies to New York City, Rockland, Nassau, Suffolk, Orange, Putnam, Dutchess, and Westchester Counties only.

#### **Comment EC-12**

11. *Employment Projections, Page 4-4: IMPLAN was used to check the anticipated employee compensation based on number of employees (since IMPLAN reports full- and part-time employees, the 262 FTEs reported in the chapter were converted to 310 full- and part-time employees for input into the model). The*

*results were very similar (IMPLAN calculates approximately \$8,762,070 in direct employee compensation or \$7,294,110 income alone, compared to \$8,330,552 in direct payroll monies/salaries reported in the chapter). NYSDOL Quarterly Census of Employment and Wages could be used to present the typical/average wage for different types of industries. (AKRF (11/12/2013))*

**Response:**

Comment noted. In addition, the Urban Land Institute Development Impact Assessment Handbook modeling suggest 3.0 employees per 1,000 square feet of retail space. Using this model, the project retail space would generate 429 permanent jobs. This would indicate the employment projections in the DEIS are conservative.

**Comment EC-13**

12. *Sales Tax, Page 4-5: The “retail and restaurant sources” used to estimate annual sales from the proposed project (\$108,000,000) should be supplemented with a known source such as the Urban Land Institute’s Dollar & Cents of Shopping Centers/The Score. (AKRF (11/12/2013))*

**Response:**

The estimate for sales is based on an understanding of the specific market forces potentially acting upon this property. The shopping center proposed would be located at a highway interchange, on commuter routes, in a region with excess income, as evidenced in the ESRI figures, and where land use regulations do not allow easy development of competitive shopping centers. These factors lead to the belief that tenant sales will be strong. The DEIS indicates on page 4-5 sales estimates will be in the range of \$96,000,000 to \$108,000,000.

The data presented in the Urban Land Institute Dollars and Cents of Shopping Centers/The Score would suggest this center be considered a ‘Community Center’ due to its size. The project studied in the DEIS suggested a building mass of 186,000 SF. In the Urban Land Institute document, the latest data available for high performing centers was 2004, showing sales of \$422 per square foot. It has been estimated by the retail advisor that retail sales have grown about 2.5% per year since 2004. This would suggest the proposed center will have an average sales volume of around \$98,000,000. The retail advisor believes the figure may be about 10% larger due to the unique factors described in the paragraph above.

According to Putnam County Real Property and Tax, the Highland Center generate approximately \$10,000,000 in total sales tax of which Putnam County receives about \$4,000,000- \$5,000,000 per year.

#### **Comment EC-14**

13. *Sales Tax, Page 4-5: The amount of County sales tax reported is defined incorrectly. If the County sales tax should in fact be equal to “4.12 cents per dollar of sales tax collected by NYS” then the County sales tax should be \$331,248. In other words, please clarify whether the 4.12 percent would be applied to the state sales or the state sales tax (AKRF (11/12/2013))*

Response:

The wording contained in the DEIS was incorrect. The Putnam County Assessor’s Office has indicated that the sales tax rate in Putnam County is 8.375%. Of this rate, 0.375% is directed toward the MTA, the remaining balance is divided evenly between the state and the county with 4% each.

#### **Comment EC-15**

14. *Tax Summary, page 4-6: The total tax figure during construction should be \$621,090 (page 4-3) instead of \$150,179. Please confirm that the figure reported for the State of New York is correct. It is unclear whether this figure should include the County and MCTD sales taxes. (AKRF (11/12/2013))*

Response:

Acknowledged, in the DEIS , the total sales tax to NYS would be in the range of \$621,090. Sales tax, as charged in Putnam County, is 8.375%. Should sales tax be charged on to \$7,416,000 of materials, as shown on page 3-4 of the DEIS- \$621,090 would be generated in sales tax to New York State. Approximately \$27,810 of this amount, or 0.375%, is sent to the Metropolitan Transportation Authority. \$593,280 would remain to be divided equally between New York State and Putnam County.

#### **Comment EC-16**

##### ***SECTION D. ECONOMIC IMPACT ANALYSIS***

15. *Page 4-6: The text states “The primary trade area for the property is believed by retail sources respected by the applicant to include...” The retail sources should be supplemented with a reasonable second source such as Urban Land Institute’s Shopping Center Development Handbook , which describes the nature and typical geography for a primary trade area. Also on page 4-6 it is noted that the primary trade area is the same trade area as defined for the highlands Retail Project in the year 2000. Since the retail mix/locations may have changed since 2000*

*additional support for the delineation of the primary trade area should be provided. (AKRF (11/12/2013))*

Response:

The Crossroads has retained a firm respected in the retail industry to provide guidance on construction, market area, and retail sales, Goddard Development Partners, LLC of Mountainville, NY. The market area has been defined by Goddard Development Partners, LLC to include an area of roughly 30 minute drive time to the site.

#### **Comment EC-17**

- 16. Page 4-7:** *It should be considered whether the proposed un-built shopping centers approved in the Primary Market Area may influence the determination of whether to include the determination of whether to include the Towns of Southeast, Carmel, and Patterson in the trade area. To that point, the text states that “the Patterson Crossing Center could also a “club” type store.” which may imply that this shopping center could be directly competitive with the proposed project. (AKRF (11/12/2013))*

Response:

The existence of either built or unbuilt shopping centers has been considered in the DEIS on page 4-9 and demonstrated that a sufficient trade area expenditure gap exists to support all unbuilt centers as well as the proposed project. The project studied in the FEIS has been reduced in size from the DEIS. It is not known if a ‘club’ store would be proposed for the property in the new configuration.

#### **Comment EC-18**

- 17. Page 4-9:**
- a. The figure for Health and Personal Care is off by \$1 and should be \$20,050,471 (from the ESRI Market Profile in Appendix K)*
  - b. Correspondingly, the Total should be \$283,690,476 (AKRF (11/12/2013))*

Response:

Acknowledged.

#### **Comment EC-19**

- 18.** *Page 4-9: the sales figure should be \$242,352,000 (816,000 SF x \$297 per SF) (AKRF (11/12/2013))*

Response:

Acknowledged. Please see corrected figures at the beginning of the chapter.

#### **Comment EC-20**

- 19.** *Page 4-10: The text states that “the proposed Crossroads project and all already approved retail could expand an additional 200,000 SF before the market gaps are filled. However, after potential sales from the approved retail and proposed Crossroads project is account for, the retail gap couold be \$41,337,475 (based on the figures reported for potential sales and existing retail gap on page 4-9. If one divides this new retail gap figure by \$297 (the average dollar value of sales at larger stores in shopping stores as per page 4-9), the result is 139,000 SF of additional retail space that could be built, compared with \$2,000,000 SF noted on page 4-10. Therefore, this ±200,000 figure appears to be overestimated. (AKRF (11/12/2013))*

Response:

630,000 ± SF of approved, unbuilt shopping center space exists in the vicinity of the site based on the project defined market area. The present proposal of 143,000 +/- SF would bring the total potential space to 773,000+/- SF. If this total retail potential size is multiplied by \$297 (average sales in shopping centers) the resulting market absorption of excess available funds would be \$229,581,198. This means that \$54,109,277 would still be available due to the market gap. Almost 200,000+/- SF of additional space could be constructed beyond the Crossroads project as well as all other approved projects.

#### **Comment EC-21**

- 20.** *Page 4-11: The text states that the “Latest employment numbers, indicate an unemployment rate in the market area of about 4% of the potential labor force over 16 years of age.” Please source the “latest employment numbers.” (AKRF 11/12/2013)*

Response:

The 4% figure represented 2008 census data. US Census data figures for 2010 indicate a 6.9% unemployment rate for Putnam County, 7.9% in Dutchess County, and 7.2% in Westchester County. The Appendix includes updates for 2013 data and Comment EC-22 below references the latest figures available from the US Bureau of Labor Statistics which are for July 2014.

#### **Comment EC-22**

- 21. Page 4-11:** *The text states that “there are approximately 3,900 unemployed persons within the market area.” It appears that this number was calculated by applying 4% unemployment rate (although as noted above it is not clear where this percentage comes from and it appears that the unemployment rate is actually 6.4 percent) to the total 2010 population figure (97,700). More accurately, the unemployment rate should be applied to the 2010 potential labor force over 16 years of age. (AKRF 11/12/2013)*

Response:

Since the DEIS was written, the unemployment rate in the market area has continued to decline. According to the United States Department of Labor, as of July 2014, the unemployment rates for Putnam and Westchester Counties are 5.1% and 5.5%, respectively.

According to the Bureau of Labor Statistics, the Putnam County Potential Labor Force is approximately 53,500 people as of July 2014. Based on this number and the new 5.1% unemployment rate, this would mean that approximately 2728 people in the county are unemployed. As the market area is slightly larger than the county, the potential labor force and number of unemployed people would be slightly larger. However, there has been a reduction in both unemployment rates and size of the labor force since the DEIS was written. It is expected that future employees of the project will be a mix of those who are unemployed and those who will be changing jobs.

#### **Comment EC-23**

- 22. Page 4-11:** *The text states “In the year 2000, the unemployment rate was 2.2% or 1,400 people.” Please provide the source for the 2.2 percent unemployment rate and explain how that gets to 1,400 people. (AKRF (11/12/2013)*

Response:

The two percent figure for unemployment in the year 2000 was taken from US Census data. The 1400 figure should have been reported as 1,900, a typographical error.

#### **Comment EC-24**

- 23. Page 4-11:** *There is no source data to support the assertion that 30 minutes is the present average commute of area residents. Please provide a source such as the U.S. Census Bureau. (AKRF (11/12/2013))*

Response:

The US Census figures for 2010 indicate mean travel time to work for all of New York State was 31.5 minutes and 25.4 minutes for Putnam County. The commuter time in Putnam County increased in 2011 to 33 minutes.

#### **Comment EC-25**

*What increases in Town Services (road, maintenance, police, fire, etc) are expected due to the proposed project? (Richard Feuerman (11/12/2013))*

Response:

No specific increases in road maintenance is expected. The fire and police departments have issued letters indicating present staff can accommodate the proposal development. Please see the Community Services chapter of this FEIS and the DEIS for additional discussion.

#### **Comment EC-26**

*What is the anticipated tax revenue from the project? How do the proposed total revenues relate to the overall town and school budget? How will the project affect residential taxes? (Deb Keiser 11/11/2013) (Lyncia Starbult ? (no date) (Beth Briggs (11/12/2013) (Public Hearing (11/07/2013))*

Response:

Based on the preliminary assessed value provided by the Town Tax Assessor, over \$1,700,000 is expected in total property tax generation and over \$6,000,000 in total sales tax revenue. For most homeowners, school taxes account for a large portion of the annual residential tax bill (

approx. 81%). The Brewster School District will receive approximately \$1.4 million dollars annually from the proposed project.

### **Comment EC-27**

*What kind of jobs are expected at the project? How many are full time? How do part-time jobs benefit the local economy? Will these be the types of jobs that offer benefits? (Robert Lund (10/24/2013), (Beth Briggs (11/12/2013), (Public Hearing (11/07/2013)*

#### **Response:**

Construction jobs will be provided initially, a total of 250 full time or equivalent jobs for about two years. While in operation, it is estimated that 391± full time equivalent jobs will be created. Positions will vary from managers to maintenance employees. Levels of benefits are not known. There will likely be a mix of part time and full time position created given the longer day in a retail use. Part time jobs benefit local school children and individuals who desire part term work due to other family needs.

As discussed in Comment EC-12 above, the Town Planning Consultant used IMPLAN to check the anticipated employee compensation based on the number of employees provided by the Applicant. Based on the Applicant's estimated number of employees, IMPLAN calculates approximately \$8,762,070 in direct employee compensation or \$7,294,110 income alone which is consistent with the figures in the DEIS.

### **Comment EC-28**

*What is the current retail vacancy rate in town? Why are these vacant? (Jennifer Nordquist (11/11/2013), C&W Capuano (10/24/2013)*

#### **Response:**

A review of retail vacancy rate by the town tax assessor suggest a 5% vacancy rate. The Urban Land Institute report Dollar and Cents suggests a minimum 4% rate is typical. Stores may be vacant for a variety of reasons. The vacancy in Southeast appears typical for the area.

**Comment EC-29**

*What impact will the project have on property values where the new project will be visible? (Alice V. Brandon (11/9/2013) , (Public Hearing(11/07/2013)*

Response:

See Response to Comments #7 and #11 and the Town of Southeast Tax Assessor's email to LADA, P.C. of June 3, 2014.

**Comment EC-30**

*What incentives are we going to give our children to want to stay in their own community and raise their own children and spend heir money in their own community? Economic stagnation leads to boredom and ultimately the inability to be successful and compete. If we do not expand and grow our retail/professional space then we will not give anyone the choice to stay here and choose to shop in our town. (Liz & Chris Lyons 11/08/2013), (Alexander Abels (11/7/2013)*

Response:

Acknowledged.

**Comment EC-31**

*How much money do the residents of Southeast spend outside of town? Danbury & Fishkill? (Liz & Chris Lyons (11/08/2013), (Alexander J. Abels (11/07/2013), (Public Hearing (11/07/2013)*

Response:

There is a large expenditure gap of \$303,000,000±defined by ESRI and shown as a part of the DEIS. The gap represents the money spent outside of the market area by residents of the market which includes the Town of Southeast. The total population of the market area is about 97,000 people and Southeast 18,000±, therefore Southeast is 18%± of the market area population. If we assume that a proportionally comparable portion of the market area expenditure gap is spent by the Town of Southeast population, the results suggest that residents of the Town of Southeast spend over \$54,540,000 per year outside the market area.

**Comment EC-32**

*How much of the sales tax generated by Crossroads 312 will go to Southeast? Please state in dollars or percentages? (Samantha Jacobs (11/08/2013) Alexander Abels (11/07/2013) (Robert Lund (10/24/2013) (Public Hearing 11/07/2013)*

Response:

No sales taxes generated by any store in the county go to any town in the county, at present.

**Comment EC-33**

*Have tax projections enumerated in the DEIS submitted for the Applicants earlier project in Southeast been realized? (John Lord (11/04/2013)*

Response:

Yes, tax projections for the Highland were realized. At the time of the preparation of the 1997 DEIS for the Highlands, the project total property tax revenues were projected to be \$763,181 or as indicated from the Consumer Price Index US Inflation Calculator \$1,113,521 in 2013 dollars. In 2014, The Town Tax Assessor indicates total property taxes paid in 2013 were \$1,197,594.

**Comment EC-34**

*Have employment projections enumerated in the DEIS submitted for the Applicants earlier project in Southeast been realized? (John Lord 11/04/2013) (Public Comments (11/07/2013)*

Response:

Employment projections of 450 full time and 450 part time positions were made in 1997 when the DEIS was written for the Highlands. Specific tenants were not known at the time. It is estimated 880 people have full time employment and 420 people have part time employment at The Highlands.

## LADA, P.C.

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**From:** Laurie Bell <lbell@southeast-ny.gov>  
**Sent:** Tuesday, June 03, 2014 3:52 PM  
**To:** 'LADA, P.C.'  
**Subject:** RE: Crossroads 312

Ms. Hahn,

This letter is in response to yours dated May 15, 2014 and in follow up to our meeting with Jay Hogan on April 10, 2014 regarding the revisions to the plans for the above project. My responses follow in order of the questions you posed in your letter.

1. The most recent (2014) Town Non-Homestead tax rate is 3.032301; the most recent (2014) County Non-Homestead tax rate is 2.984824; the most recent (2014) Brewster Fire district tax rate is 0.540162; the most recent (2013) Brewster Central School Non-Homestead tax rate is 28.151572; all of the tax rates are now available via the Town's website.

2. Initial valuation of any new construction is typically based on cost; the assessed value is the basis for the taxes generated by the taxing municipalities.

3. The value of the property can change once the project is completed since the Town does annual assessments. Partial values/partial assessments are done as of March 1 each year depending on the status of the construction until construction is completed. Generally the cost valuation is the value until the project is fully occupied and income producing; at that time it may warrant a market re-valuation.

4. The current estimated value of the project, based on a 100 room, 4 story, 100K square foot hotel and 4 buildings totaling 143K square foot retail would be \$50,600,000. This estimate is subject to change depending on actual project approval and dates of construction.

5. The site improvements impact the valuation somewhat.

6. My experience indicates the retail vacancy rate in the Town of Southeast to be approximately 5% which seems to be reflective of the overall market and consistent with other towns.

7. I have not noticed nor tracked any decline in property values specific to those properties nearby or within the view of retail centers in Southeast.

8. I believe responsible commercial development helps offset the residential tax burden in the Town of Southeast.

9. The total current (2014) valuation of the Highlands is \$34,504,000. As best as I can tell (you will recall the left side of this project became a commercial condo which has been split several times) the initial valuation after construction of all of the buildings over the years was approximately \$37,227,820. The valuation has changed over time primarily due to market increases/decreases and a couple certioraris.

10. The most recent (2013-2014) tax revenue generated by the Highlands is \$26,926,970.

11. I have not noted any documented reduction in value for surrounding properties due to the construction of the Highlands, nor am I aware of the houses around the lake having suffered any lasting negative or suppressed valuation due to being able to see the project.

I trust these answers are sufficient for your project. Let me know if you need anything else in this regard.

*Laurie Bell*

Assessor  
Town of Southeast  
1360 Route 22  
Brewster, NY 10509  
845-279-7336 phone  
845-279-3089 fax  
southeast-ny.gov

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**From:** LADA, P.C. [mailto:[ladapc@snet.net](mailto:ladapc@snet.net)]  
**Sent:** Tuesday, May 20, 2014 11:32 AM  
**To:** [lbell@southeast-ny.gov](mailto:lbell@southeast-ny.gov)  
**Subject:** Crossroads 312

Laurie,

Thank you for meeting with us. As requested, I put all our questions in the attached letter. You can reply to this email or whatever format is convenient for you. Thank you very much for your time.

Terri-Ann Hahn

LADA, P.C. – LAND PLANNERS  
104 West Street  
Simsbury, CT 06070  
(860) 651-4971  
FAX: (860) 651-6153  
[ladapc@snet.net](mailto:ladapc@snet.net)

Brewster Office  
(845) 278-7424



This email is free from viruses and malware because [avast! Antivirus](#) protection is active.

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**From:** Laurie Bell [mailto:lbell@southeast-ny.gov]  
**Sent:** Wednesday, June 04, 2014 12:34 PM  
**To:** 'LADA, P.C.'  
**Subject:** RE: Crossroads 312

I apologize, must have been a totaling error on my part. The current revenue for the Highlands is \$1,197,594.58 all of which is available on the Town's website via the Receiver of Taxes' portion or via her "hot button" in blue on the home page in the left margin.

*Laurie Bell*

Assessor  
Town of Southeast  
1360 Route 22  
Brewster, NY 10509  
845-279-7336 phone  
845-279-3089 fax  
southeast-ny.gov

# LADA, P.C.

## Land Planners

Land Development Consulting, Site Planning, Landscape Architects, Planners, Corridor Studies, Visual Assessment, Environmental Impact Statements, Erosion Control Specialists, Streetscapes, Recreation, and Master Planning

May 15, 2014

Ms. Laurie Bell, IAO  
Town of Southeast Tax Assessor  
Town Hall  
1360 Route 22  
Brewster, NY 10509

RE: Crossroads 312

Dear Ms. Bell,

Thank you for meeting with us on the project. We have been asked to address a number of questions as part of the Final Environmental Impact Statement for the Crossroads 312 project. As you requested, I have listed them below so that you can have a format in which to provide answers. Please let me say that we appreciate your time in putting together these responses.

1. What are the tax rates for the 2013-2014 or 2014-2015 year which ever is next and available?
2. How do you determine the value of the proposed project to be used to compute the potential tax revenue generated by it?
3. Does the value of the property change/ get recalculated once the project is built? How often? Do you find that when this occurs do projects generally show an increase or decrease in value right after construction is complete?
4. What would be the valuation of the project at this time? The proposed project consists of 5 buildings -
  - A 100 room hotel on four floors with breakfast room only (no pool)
  - A 90,000+/-sf multi tenant retail building
  - A 25,000+/- sf multi tenant retail building
  - 2 - 14, 000+/- sf buildings

We are estimating there will be 7,000+/- sf of restaurant use which could occur in any building. The site is 52+/- acres and will have 721 parking spaces, potable water, sewer and a grey water recycling system. The buildings are a mix of masonry and siding and we have attached the elevations from the architect. They have been refined since our meeting.

5. Do the site improvements impact the valuation - a little, not very much, some or a lot?
6. What is your experience indicate is the retail vacancy rate in the Town of Southeast today? Is that a lot or a little based on your experience in town? Do you have any idea how that might relate to other towns?
7. You have seen a number of retail centers built during your time in Southeast, have you noticed or tracked a decline in property values for those properties near by or within the viewshed?
8. Is there anything else you would add to the discussion about the potential valuation and subsequent tax revenue from the project?
9. I'd like to ask about another project in town - Brewster Highland or The Highlands. What is the current valuation of that property (including all the pieces- Home Depot, Applebees, etc.)? Do your records indicate what the initial valuation after construction was? Did the valuation change over time? Why?
10. What is the tax revenue generated by the Highlands project for the most recent year?
11. Has there been any noticeable reduction of valuation for any surrounding properties due to the construction of the Highlands? Have the houses around the lake suffered any lasting negative or suppressed valuations due to being able to see the project?

When we met, we were discussing the break down of sales tax. The information I received from the Putnam County Finance Department is that the sales tax rate is  $8 \frac{3}{8}\%$ . It is broken down as follows- 4% to the State of New York, 4% to the county of Putnam and  $3 \frac{3}{8}\%$  to the MTA. The town does not receive any tax revenue from the sales tax but the County could decide to share their 4% if they approved it in the county legislature.

Thank you again for putting this information together and feel free to contact me if you have any questions.

Sincerely,



Terri-Ann Hahn