

G. Economic Conditions

1. Additional Technical Studies

The fiscal impact assessment prepared for the DEIS has been updated to reflect the modified FEIS plan and is provided in the Appendix. The analysis indicates net fiscal benefits to both the Town and the School District. The key findings are listed below.

Most of the comments questioned specific technical issues and assumptions utilized in the fiscal and market analyses. Additional comments raised concerns related to the differing fiscal impacts of each unit type, particularly a belief that single-family homes would have a detrimental effect and that a modified unit mix should be considered to ensure an overall positive fiscal impact. As detailed below, the project would be anticipated to result in a significant positive impact for both the Town and the School District. The plan modifications made since the publication of the DEIS have resulted in a reduction in the number of single-family homes.

2. Plan Changes and Impact Summary

The revised assessment concludes that the proposed project is estimated to generate direct permanent employment of about 790 jobs with associated annual compensation of approximately \$27 million (including benefits).

At full buildout, the modified FEIS plan will generate approximately \$7.7 million in permanent property tax revenue. Of this total, \$5.7 million will go to the school district, \$803,000 to the Town, \$221,000 will go to the fire district, and \$78,000 will go to the library.

In addition to property taxes, the analysis conservatively estimates that retail uses will generate about \$834,000 in sales tax revenue for Dutchess County and \$889,000 for New York State, annually.

Using an average cost model, the project would be expected to increase municipal service costs by approximately \$529,646 annually. This is less than the project generated Town property tax revenue of \$803,000, resulting in an annual net surplus of approximately \$273,354. As described in the DEIS, the average cost model assumes that the share of the cost of providing services for a new development is proportionally the same as for existing residences and businesses. However, this approach likely overstates actual costs, as the project would be responsible for providing some of its own services, which would reduce the impact on municipal costs. For example, the Highway Fund accounts for approximately 30% of the Town's total budget. However, most of the project's internal road network would be privately owned and maintained, resulting in a minimal increase in the linear feet of new roadway that would need to be maintained and plowed by the Highway Department.

In addition, there are a number of budget items that would not necessarily be affected by changes in service population, such as the Town Board, Supervisor, IT, Highway Superintendent, Garage, Historian, Celebrations, and Debt Service. Table II.G-9, located at the end of this section, identifies those elements of the General Fund that could reasonably be expected to witness increased costs as a result of the project. The project generated residents represent an approximate 40% increase in the Town population. For those lines that would be expected to have increased workload, the marginal cost would be less than the 40% average proportionate share represented by the new residents. As an example, with additional residents, the Town Clerk would be expected to see an increase in the number of permits/licenses it issues and calls for information it receives. However, a portion of the office's responsibilities would not be affected by population growth, such as taking minutes of the Town Board meetings (i.e., project would not affect the scheduling of Town Board meetings) and administering and archiving public records. Without taking a credit for this factor in order to be conservative, the projected General Fund and Highway costs would more likely approximate \$245,901, which is less than projected by the average cost approach and less than the project generated Town property tax revenue of \$803,000.

As described in Section II.I, the cost to educate the project generated school children would be approximately \$3,129,530. This is substantially less than the \$5,648,000 in school district taxes that would be paid by the project, creating a net positive fiscal impact of approximately \$2.5 million annually for the public schools.

3. Comments and Responses

Comment G.1

Phillips, Preiss, Shapiro Associates, Inc. (PPSA) calculates in its report "Fiscal Impacts of the Knolls of Dover" that the Project would generate approximately 3,701 persons. PPSA also estimates that the Project would generate 534 public schoolchildren.

(Chris Rembold, Phillips Preiss Shapiro Associates Inc, Public Hearing Transcript, 5/30/09, Pg. 47; Phillips Preiss Shapiro Associates Inc., Report Prepared for the Coalition for the Responsible Growth of Dover, 6/09, Pg. 8)

Response G.1

Comment noted. The commenter's calculations match those presented in the DEIS.

Comment G.2

In calculating a "Worst Case Scenario", PPSA uses a multiplier of 0.37 for calculating school children instead of the actual Rutgers multipliers.

(Phillips Preiss Shapiro Associates Inc., Report Prepared for the Coalition for the Responsible Growth of Dover, 6/09, Pg. 9)

Response G.2

The commenter elected to use a simplified multiplier in producing a “worst case scenario” estimate. The DEIS projection utilized a more refined analysis that accounted for the actual unit types being proposed. Applying the Rutgers multipliers, and assuming all 1,376 units were non-age-restricted, resulted in an estimate of approximately 724 schoolchildren. However, this scenario does not reflect the actual Proposed Action, which does include age-restricted housing, and results in an expected generation of 449 schoolchildren.

In addition, as described in Section I, while the total number of dwelling units has remained at 1,376, the various plan modifications have resulted in a change in the mix of proposed unit types. These modifications have decreased the number of projected school children, primarily as a result of the loss of larger, single-family units and an increase in the number of smaller, multifamily units. It is noted that with the revised program, even assuming no age-restrictions at all, application of the Rutgers multipliers would generate a total number of schoolkids of 527. This is still less than the 534 analyzed in the DEIS, and would not therefore be expected to have a significant impact.

Comment G.3

I think we need realize that most fiscal impact studies assume that the age restricted units will not have school-age children living with them and this may or may not be true; particularly as demographic trends point to families having children later in life. A unit where the head of household is over age 55 or 65 may have school-aged children living at home.

Also, given the current market place some retirees may be reluctant or unable to sell their current homes, which may hurt the sales of age-restricted units. This might lead to the lifting of age-restriction on some units.

Conservative fiscal analysis should not assume that school-age multiplier for age restricted units is zero. If school-aged children do live in these units, they will become far less fiscally positive.

(Chris Rembold, Phillips Preiss Shapiro Associates Inc, Public Hearing Transcript, 5/30/09, Pg. 48-49, 53)

Response G.3

Age-restrictions can be applied in different ways. In addition to requiring a minimum age for the householders, many communities have a restriction on residents under the age of 18 or place limitations on the time period that grandchildren can reside in a unit. As a result, it is not expected that age-restricted units will generate school-aged children and the multipliers used are appropriate.

It is acknowledged that current market conditions have deteriorated and may influence consumer decisions in the near term. However, the market study indicates significant demand for age-restricted housing and large pools of suitable demographics (e.g., empty-nesters) that will be looking for alternatives to conventional, suburban single-family homes. This has been confirmed by inquiries to the project representatives, where the overwhelming majority of the

calls have been from empty-nesters. In addition, the size of the Project necessitates a phased approach and a long-term focus. Market conditions can, and will, change throughout the course of the build-out. However, the underlying demographic changes in the region and the country will remain. As a result, it is not likely that age-restrictions would be abandoned or lifted. See Response G.2 for additional discussion about the potential numbers of school children.

Comment.G.4

A multiplier should be applied to age-restricted units. The DEIS does present a worst-case scenario, but the DEIS does not address the impacts of its own estimation. The DEIS does not discuss mitigation measures that might be required in a worse-case scenario. The DEIS claims that the project would remain fiscally positive in this situation, but our calculations do not support this statement.

(Chris Rembold, Phillips Preiss Shapiro Associates Inc, Public Hearing Transcript, 5/30/09, Pg. 49; Jeffrey Baker, Young Sommer Ward Ritzenberg Baker & Moore LLC, Letter, 6/30/09, Pg. 5)

Response G.4

See Responses G.2 and G.3 regarding the use of a multiplier for the age-restricted units. The DEIS presented a worst-case scenario projection because it was requested in the adopted Scoping Document. It indicated that such a scenario would increase the costs to the school district and reduce the annual fiscal surplus (although still providing a net fiscal benefit.) No mitigation measures have been proposed because the calculation presented an academic, hypothetical scenario. It does not reflect the actual Proposed Action.

Comment G.5

It bears noting that there may be a significant difference between the multipliers used for projections, and the actual results of a project. The Woodwinds development in the Town of Dover used a multiplier of 0.57 per units, which was 40 percent less than the actual generation rate of 0.8 school children per unit. If a similar situation were to occur for the single-family detached units for the Knolls of Dover Project, as many as 333 schoolchildren could be generated beyond their estimates.

(Phillips Preiss Shapiro Associates Inc., Report Prepared for the Coalition for the Responsible Growth of Dover, 6/09, Pg. 9)

Response G.5

The comment has inappropriately conflated the calculations prepared from two different analyses. The Woodwinds development generates approximately .794 schoolchildren per unit. This number is very close to (and in some cases actually lower than) the Rutgers multipliers used in the DEIS analysis. As described in the DEIS, "it is interesting to note that the multipliers provided by the Rutgers University data for single-family homes are fairly similar to the reported ratios at these two examples [Woodwinds and Reagans Mill]. The Rutgers University multipliers for single-family detached homes are 0.64 schoolchildren per household for 3-bedroom units, 1.00 schoolchildren per household for 4-bedroom homes, and 1.27 schoolchildren per household for 5-bedroom homes." The referenced 0.57 multiplier is a

factor apparently used in a different assessment by a different analyst. Taking the observed 40% difference from a different analysis and suggesting that factor should be applied to the results of a separate analysis, which used different multipliers (and for which the local experience suggests may in fact be conservative) is inappropriate, and the resulting conclusions are incorrect.

Comment G.6

Assuming that all of the multipliers are accurate and the proposed project does not deviate in any significant manner from its current proposed form, the schools should be able to absorb the projected students. However, the DEIS should take a harder look at background growth, trends in immigration and larger family sizes and other factors in order to make a more precise determination of the fiscal impacts of the project.

(Chris Rembold, Phillips Preiss Shapiro Associates Inc, Public Hearing Transcript, 5/30/09, Pg. 51)

Response G.6

Comment noted. As documented in the DEIS and confirmed by the District Superintendent (see Comment F.3), the schools have sufficient existing and projected capacity to allow the District to absorb new students. The District regularly examines its enrollment, which has been trending downward. As noted in the Superintendent's comments:

“We maintain the current facilities have a capacity to serve 2,200 students... To date, student population has not reached the expected peak, instead peaking at 1,872 in the 2001-2002 school year and has continued to decline since then, a trend now seen in all Dutchess County school districts and many others throughout the state.”

The DEIS analysis includes an evaluation of the fiscal impact of educating the projected schoolchildren. Given the available capacity, no additional significant capital costs would be expected.

Comment G.7

The methodology used in the Knolls of Dover DEIS for fiscal impacts of the development is simple, and assumes that new residents will demand municipal services at the same rate as existing residents. This assumption is reasonable so long as the growth is relatively modest compared with the size of the community in which it is occurring. More significant growth would tend to precipitate the need to make significant new investments – a new school, a sewer system, a widened roadway – that would not be taken into account using the average cost method. The methodology also assumes the current costs are a good proxy for future costs – again, a sound assumption in the near term, less for the distant future.

The Project would undoubtedly require an increase in municipal service spending and most likely capital outlays.

(Chris Rembold, Phillips Preiss Shapiro Associates Inc, Public Hearing Transcript, 5/30/09, Pg. 47, 50; Phillips Preiss Shapiro Associates Inc., Report Prepared for the Coalition for the Responsible Growth of Dover, 6/09, Pg. 10-12)

Response G.7

Comment noted. The analysis used an average cost model that assumes that the share of providing services for a new development is proportionally the same as for existing residences and businesses. However, the actions noted in the comment – new school, a sewer system, a widened roadway – would either not be required by the project or would be funded by the Applicant. As described in Response G.6, the school district has sufficient capacity, and downward trending enrollments, to accommodate the schoolchildren; the site has its own sewer system and the costs for infrastructure modifications necessary to support the project would be borne by the Applicant; and Route 22 modifications at Wheeler Road will be performed by the Applicant as part of the project’s mitigation program. It is more likely that the average cost approach overstates actual costs. This FEIS has been augmented with a more detailed marginal cost analysis. See Response G.8 and Table II.G-9.

While there are naturally many factors that could change (e.g., municipal priorities and budget allocations) over the long-term buildout, current costs are a reasonable proxy for future costs.

Comment G.8

The DEIS uses an average service cost analysis for estimating potential fiscal impacts to the Town associated with the proposed project (except for the calculation of building permit fees). As many of the Town services are at or near capacity when compared to available resources, it may be more appropriate to use a marginal cost analysis to reflect actual need for new services, such as personnel. The results of the marginal cost analysis should then be compared with the projected cost of \$530,782 annually for Town services.

(Graham Trelstad, AKRF, Memorandum to the Town Board, 7/30/09, Pg. 5)

Response G.8

As described in the DEIS, the average cost model assumes that the share of the cost of providing services for a new development is proportionally the same as for existing residences and businesses. However, this approach likely overstates actual costs, as the project would be responsible for providing some of its own services, which would reduce the impact on municipal costs. For example, the Highway Fund accounts for approximately 30% of the Town’s total budget. However, most of the project’s internal road network would be privately owned and maintained, resulting in a minimal increase in the linear feet of new roadway that would need to be maintained and plowed by the Highway Department.

In addition, there are a number of budget items that would not necessarily be affected by changes in service population, such as the Town Board, Budget, IT, Highway Superintendent, Garage, Association Dues, Historian, and Celebrations. The Town Supervisor has undertaken a preliminary budgeting exercise, using the 2010 budget as a baseline and assuming full build-out and occupancy of the project, in order to provide a more detailed portrayal of the

potential increased marginal costs for the provision of municipal services. Table II.G-9, located at the end of this section, summarizes the results of the analysis and identifies those elements of the General Fund that could reasonably be expected to witness increased costs as a result of the project. The project generated residents represent an approximate 40% increase in the Town population. For those lines that would be expected to have increased workload, the marginal cost would generally be less than the 40% average proportionate share represented by the new residents. As indicated in the table, the projected General Fund and Highway costs would more likely approximate \$245,901, which is less than projected by the average cost approach and less than the project generated Town property tax revenue of \$803,000. The analysis also assumes proportionate increases for the the Fire and Library funds and projects a total increase of approximately \$323,000. The project is projected to generate approximately \$299,000 annually for these taxing jurisdictions. The project would also likely result in additional non-property tax revenues for the Town. For example, new residents will pay for various fees, licenses and permits. The Town will also realize increased revenues from franchise fees (new Cablevision contracts) and taxes from home sales/resales, which would further off-set the marginal service costs and increase the likely annual surplus. Table II.G-6 summarizes the results of the Town Supervisor's preliminary budgeting exercise, which estimates additional annual revenue of approximately \$164,000.

Comment G.9

Review of the DEIS reveals that it uses significantly lower per capita expenditure figures for governmental expenditures than is warranted. The DEIS is not totally clear on how it arrives at the per capita expenditures that it uses. It mentions using Dutchess County data and extrapolating it to Dover specifically. This may or may not be acceptable methodology, depending on what the DEIS actually did with the data. In any case, using these lower per capita figures significantly reduces the projected annual cost of the development.

(Chris Rembold, Phillips Preiss Shapiro Associates Inc., Addendum to Report Prepared for the Coalition for the Responsible Growth of Dover, 6/30/09, Pg. 1)

Response G.9

The assessment utilizes the per capita average service costs developed by the Dutchess County Economic Development Corporation, and which are based on the town's population, tax levy, and assessed valuation for commercial and residential use. There was no extrapolation of the data by the DEIS preparer; it was taken directly from the County's table, which provides a breakdown for each municipality in the County. The County table is provided in Exhibit II.G-1 attached at the end of this section.

This FEIS has also been augmented with a more detailed marginal cost analysis, which indicates more substantial annual property tax surpluses for the Town. See Response G.8 and Table II.G-9.

Comment G.10

The DEIS at page III.G-38 references per capita average service costs developed by the Dutchess County Economic Development Corporation. Additional description of these costs and how they were derived should be provided.

(Graham Trelstad, AKRF, Memorandum to the Town Board, 7/30/09, Pg. 5)

Response G.10

See Response G.9.

Comment G.11

The scoping document did not require the DEIS to analyze impacts per unit. I think this is a useful exercise and a responsible DEIS would include this calculation. A DEIS should provide detail of fiscal impact by unit type so that any future deviation from the proposed project unit mix or phasing could be assessed.

(Chris Rembold, Phillips Preiss Shapiro Associates Inc, Public Hearing Transcript, 5/30/09, Pg. 52)

Response G.11

As detailed in Table I-2, the proposed project includes a variety of unit types. In order to provide context, potential fiscal impacts from a sample of differing unit types are provided below. It is also noted that the single-family residence in the example below is treated as non-age-restricted in order to be conservative. (The project currently proposes approximately 76 of the 331 single-family units as age-restricted.)

**Table II.G-1
Property Tax Revenue Estimates**

Unit Type	Value	Assessed Value	Tax			
			Town \$5.02/\$1000 AV	Fire \$1.38/\$1000 AV	Library \$0.49/ \$1000 AV	School \$35.33/\$1000 AV
3-br sfh	\$450,000	\$180,000	\$903.60	\$248.40	\$88.20	\$6,359.40
3-br townhouse	\$445,000	\$89,000	\$446.78	\$122.82	\$43.61	\$3,144.37
2-br townhouse	\$399,000	\$79,800	\$400.60	\$110.12	\$39.10	\$2,819.33
2-br apartment	\$295,000	\$59,000	\$296.18	\$81.42	\$28.91	\$2,084.47

**Table II.G-2
Municipal Cost Estimates**

Unit Type	Population	Cost/Person	Town Cost	Alternate Town Cost/HH	School Children	Cost/School Child	School Cost
3-br sfh	3.06	\$143.31	\$438.53	\$352.33	0.64	\$6,970	\$4,460.80
3-br townhouse	3.08	\$143.31	\$441.39	\$352.33	0.52	\$6,970	\$3,624.40
2-br townhouse	2.16	\$143.31	\$309.55	\$352.33	0.17	\$6,970	\$1,184.90
2-br apartment	1.88	\$143.31	\$269.42	\$352.33	0.09	\$6,970	\$627.30

**Table II.G-3
Anticipated Fiscal Benefit**

Unit	Jurisdiction	Property Tax Revenue	Service Cost	Net Fiscal Impact
3-br sfh	Town	\$1240.20	\$438.53	\$801.67
	School District	\$6359.40	\$4460.50	\$1,898.60
3-br townhouse	Town	\$613.21	\$441.39	\$171.82
	School District	\$3144.37	\$3624.4	(480.03)
2-br townhouse	Town	\$549.82	\$309.55	\$240.27
	School District	\$2819.33	\$1184.90	\$1,634.43
2-br apartment	Town	\$406.51	\$269.42	\$137.09
	School District	\$2084.47	\$627.30	\$1,457.17

As can be seen in the tables, the three-bedroom single-family home would be expected to have the most positive fiscal impact on a per-unit basis. Part of this effect may be attributed to the fact that as fee-simple units, the single-family units would be assessed based on their market value. It is assumed that the Town assessor will value condominium products at 50 percent of their true market value, given New York State valuation practices for such units. Although this results in lower property tax revenue generation, the two-bedroom townhouse units and two-bedroom apartments would also be expected to result in positive fiscal impacts for both the Town and the School District.

Comment G.12

At an average size of 1,600 square feet and a market value of \$250 per square foot, a three bedroom single-family detached unit generates a total market value of \$400,000. The assessed value, 40 percent of the market value, is thus \$160,000. Applying the tax rate for total Town services (\$6.89 per \$1,000) and the tax rate for the schools (\$35.33 per \$1,000) to the assessed value, yields annual property tax revenues of \$1,102 for the town services and \$5,653 for the schools.

The same unit will generate 3.06 persons and 0.64 students, according to our multipliers. Multiplying these figures by our estimates of expenditures per person (\$400) and per student (\$9,650) yields an estimated expenditure of \$1,224 for town services and \$6,176 for schools.

The net fiscal impact, revenues less expenditures, of this unit is thus negative for both town and school services. For town services, the net is a negative \$122 per unit of this type. For the schools, the net is a negative \$523 per unit of this type.

(Phillips Preiss Shapiro Associates Inc., Report Prepared for the Coalition for the Responsible Growth of Dover, 6/09, Pg. 19; Chris Rembold, Phillips Preiss Shapiro Associates Inc, Public Hearing Transcript, 5/30/09, Pg. 52-53)

Response G.12

See sample per-unit fiscal impact analyses by unit type provided in Response G.11. Generally, it is noted that the commenter's projected public costs appear to be overstated, which results in the finding of an adverse fiscal impact for the single-family unit type. For example, in developing its per-student cost, the commenter divided the total school revenues raised by property taxes by the number of enrolled students. This overstates the actual marginal cost for

a new student as it includes administrative and capital expenditures that wouldn't be affected by the introduction of new students, such as the Superintendent's salary or costs for building expansion. The district program costs provide a more accurate assessment of the cost of educating the additional students generated by the project. See Response F.5 for a detailed breakdown, which results in an estimated per-pupil cost of approximately \$6,970. Similarly, the commenter's estimated municipal costs utilized a relatively simple averaging technique of dividing the municipal budget by the number of residents, and then dividing the budget again by the number of employed persons in Town, which results in an inflated average cost (since it includes "double counting"). The costs prepared by the Dutchess County Economic Development Corporation are based on a more refined analysis which also accounts for the proportionate assessed value.

Correcting the cost figures, the commenter's example of a three-bedroom single-family detached unit would in fact be fiscally positive: net fiscal benefit of \$663 to the Town and \$1,192 to the School District.

Table II.G-4
Sample Costs – Three Bedroom Unit

Population	Cost/Person	Town Cost	Alternate Town Cost/HH	School Child	Cost/School Child	School Cost
3.06	143.31	\$438.53	\$352.33	0.64	\$6,970	4,461

A revised economic conditions report, updated to reflect the modifications made to the program with the modified FEIS plan, is included in the Appendix. The analysis indicates net fiscal benefits to both the Town and the School District.

Comment G.13

A mix of housing types, and specifically a project that favors attached units, multifamily units, and age restricted units, is important. A mix of housing types, and a program that responds well to the demands of the marketplace can neutralize the negative effects of single family units and could generate positive fiscal impacts.

(Phillips Preiss Shapiro Associates Inc., Report Prepared for the Coalition for the Responsible Growth of Dover, 6/09, Pg. 21; Chris Rembold, Phillips Preiss Shapiro Associates Inc, Public Hearing Transcript, 5/30/09, Pg. 54)

Response G.13

The Applicant agrees that a mix of unit types is important for sustaining a vibrant community that offers a variety of living options for households across the life-cycle. It is also noted that the modified FEIS plan has reduced the number of single-family homes to 331, a reduction of approximately 124 units from the DEIS plan. The remaining units are located in attached or multifamily dwellings.

Comment G.14

The most fiscally detrimental units are the single family homes on the outskirts of the project are. To maintain fiscal neutrality or fiscal benefits, these fiscally-negative units should generally be eschewed in favor of smaller units near the railroad station.

(Phillips Preiss Shapiro Associates Inc., Report Prepared for the Coalition for the Responsible Growth of Dover, 6/09, Pg. 21; Chris Rembold, Phillips Preiss Shapiro Associates Inc, Public Hearing Transcript, 5/30/09, Pg. 54-55)

Response G.14

As described in Response G.11 above, the single-family units are not fiscally negative, and in some cases will likely provide the greatest fiscal benefit to the town. The location of the unit (towards the core or toward the periphery) has no bearing on property tax generation or service cost. It is noted that the modifications to the Project made for the FEIS have resulted in the reduction of the total number of single-family homes by 142 units.

Comment G.15

If population and school age multipliers increase for any reason, for example, if age restricted units actually do generate schoolchildren, the fiscal impacts of the development could be drastically different.

(Phillips Preiss Shapiro Associates Inc., Report Prepared for the Coalition for the Responsible Growth of Dover, 6/09, Pg. 21; Chris Rembold, Phillips Preiss Shapiro Associates Inc, Public Hearing Transcript, 5/30/09, Pg. 53)

Response G.15

See Response G.3. The age-restricted units would not be expected to generate public schoolchildren and have a resultant significant adverse impact on the School District.

Comment G.16

In general, balanced growth that incorporates high performing residential and commercial development of all types will help balance fiscal impacts and can contribute in a positive manner to the long-term sustainability of the Wingdale area and the Town of Dover as a whole.

(Phillips Preiss Shapiro Associates Inc., Report Prepared for the Coalition for the Responsible Growth of Dover, 6/09, Pg. 21)

Response G.16

Comment noted. The Project has employed a mix of uses and unit types in order to create a balanced community.

Comment G.17

The first issue relates to the multipliers for population and school-age children. While both this analysis and the DEIS analysis used commonly accepted multipliers, if the multipliers change in any way – if demographic and market trends shift, or if age-restricted units do generate schoolchildren, for example – than the fiscal impacts of the development will be drastically different. This is one of the most basic assumptions of a fiscal impact analysis, and the DEIS should acknowledge that the project's impacts may not be as positive, and in fact may be quite negative, if basic assumptions change.

(Phillips Preiss Shapiro Associates Inc., Report Prepared for the Coalition for the Responsible Growth of Dover, 6/09, Pg. 21; Chris Rembold, Phillips Preiss Shapiro Associates Inc, Public Hearing Transcript, 5/30/09, Pg. 56)

Response G.17

See Response G.3 and G.15. As acknowledged by the commenter, the analysis uses the most commonly accepted and best multipliers available. It is acknowledged that fiscal impact assessment is not a precise science, however that does not mean it is not a useful gauge or proxy. Given demographic trends nationwide (e.g., smaller family sizes), it is unlikely that there would be rapid and significant shift in population or schoolchild multipliers that would result in drastically adverse effects. In addition, as discussed above, there are a variety of different ways to implement age-restrictions.

Comment G.18

The market study on which the fiscal impact analysis relies estimates that, on average, 50 to 60 of the proposed units can be absorbed per year. At this rate, it would take 11 years to absorb the 539 units of the first phase and more than 16 years to absorb the 837 units of the second phase. Thus, while the build-out of the project is estimated at 10 to 12 years, the sell-out period of the project is 27 years. Since the projected property tax revenues would not be fully realized until all units (and the commercial space) are absorbed, by the time the purported fiscal revenues are realized in year 27, assumptions, market values, multipliers, and service costs and capacities may be significantly different than today.

(Phillips Preiss Shapiro Associates Inc., Report Prepared for the Coalition for the Responsible Growth of Dover, 6/09, Pg. 22; Chris Rembold, Phillips Preiss Shapiro Associates Inc, Public Hearing Transcript, 5/30/09, Pg. 56)

Response G.18

The market study relies on recent sales trends to determine the absorption rate of 50 to 60 units for a conventional residential project. However, given the unique mix of uses at Dover Knolls, the residential demand analysis indicates that an absorption rate of roughly 140 units per year would be a realistic long-term sales goal for the project.

The fiscal impact analysis is conducted in current dollars. While inflation will affect costs and benefits over the absorption period, the current-dollar analysis assumes that cost escalation and price appreciation occur at the same rate. Further, the analysis makes the reasonable assumption that current tax rates and population multipliers do not change in the future.

It is acknowledged that some of the factors used during analysis may change over the course of a long term project. This is the nature of development processes and impact assessment. However, the comment only addresses the receipt of projected revenues. If units have not yet been built or occupied, they do not incur costs or result in fiscal impacts. Property tax revenues will phase in incrementally as the Project is constructed and filled. Similarly, the municipal costs incurred to provide services phase in as the population grows. The revenues and costs are therefore linked to some degree. The DEIS included an analysis of projected fiscal impacts at full build-out, as well as at the completion of Phase 1. Both indicated a net

fiscal benefit. As the costs are incurred as revenue is generated, the fiscal effect is generally balanced and moderated over time.

Comment G.19

The DEIS presents significant research data on demand for housing and projected absorption rates, but does not present how certain conclusions were drawn from these data and why the proposed project will experience higher sales prices and absorption rates compared to the other comparable projects identified. We do not question the validity of the data presented, merely question how assumptions regarding the performance of the proposed project were drawn from those data.

(Graham Trelstad, AKRF, Memorandum to the Town Board, 7/30/09, Pg. 7)

Response G.19

The market study relies on recent sales trends to determine the absorption rate of 50 to 60 units for residential projects that offer a single housing format (e.g., single-family houses or condominiums). Some projects achieve higher total sales volumes by offering a variety of housing types. For example, the Van Wyck project in Fishkill exhibited the following average sales pace:

Van Wyck Meadows (townhouses) – 55 units per year

Van Wyck Mews (condominiums) – 62 units per year

Van Wyck Glen (single-family homes) - 50 units per year

Given the variety of residential products and mix of uses at Dover Knolls, absorption will be comparable to that achieved by the overall Van Wyck project, including all product types (i.e., the townhouse, condominium and single-family components), of approximately 167 units per year (based on averages over varying time periods). Similar to the Van Wyck project, Dover Knolls will offer a diversity of housing types and capture a greater share of demand than projects that offer a single housing format.

This finding is further substantiated by the housing demand analysis, which indicates that a ten-year absorption period is consistent with a market demand capture of about two percent. Based on familiarity with builder risk management practices and knowledge of conventional demand-capture ratios, this capture rate is considered realistic within the Dutchess County market. Absorption of roughly 140 units per year is a realistic long-term sales goal for Dover Knolls.

Comment G.20

The absorption rate should be clarified to correspond to the projected construction phasing schedule. If the construction phasing schedule indicates a 10-year build out, but absorption is expected to take 17 years, will there be a 7 year period when some units sit vacant?

(Graham Trelstad, AKRF, Memorandum to the Town Board, 7/30/09, Pg. 8)

Response G.20

As described in Responses G.18 and G.19, absorption of roughly 140 units per year is a realistic long-term sales goal for Dover Knolls. Regardless of the actual ultimate absorption rate, there will not be a 7 year period where units sit vacant. The project's phased approach allows for the project to be constructed in coordination with real estate market and financing conditions. The actual phase of construction will be determined by the pace of sales. The project will not involve the speculative building of large numbers of dwelling units that then sit vacant.

In addition, the 10-year construction period represents a manageable and reasonable construction sequence. It is used consistently in the DEIS because for certain analyses projections become increasingly unreliable and inaccurate as the Build year horizon extends into the more distant future. For example, traffic studies typically employ a background growth factor of between 0.5-2% to be conservative. Multiplied over too long a timer period, this would distort No Build conditions. (For example, based on NYSDOT AADT traffic volumes compiled in the DEIS, the observed background growth in the area has been fairly flat, while application of typical background growth projections would have yielded dramatic growth.)

Comment G.21

The scope of this report did not include a detailed market analysis. Thus, this report does not take direct issues with the DEIS's market study. However, it is worth noting that in the current depressed market, housing and commercial values are significantly lower than just one year ago. Lower market values would of course result in lower property tax revenues, potentially tipping the net fiscal impact further negative. It is also worth noting that construction and operating financing for such large scale projects is difficult if not impossible to secure. This too, along with the absorption rate discussed above, is another potential roadblock that would delay the receipt of the project's purported fiscal benefits.

(Phillips Preiss Shapiro Associates Inc., Report Prepared for the Coalition for the Responsible Growth of Dover, 6/09, Pg. 22; Chris Rembold, Phillips Preiss Shapiro Associates Inc, Public Hearing Transcript, 5/30/09, Pg. 57-58)

Response G.21

While the current economic correction may create near-term sluggishness in project development, long-run real estate market trends indicate support for the projected pricing and absorption.

Comment G.22

A brief review of real estate statistics for Dutchess County shows that between April 2008 and April 2009, single family detached home prices are down by almost 10 percent. If the project market values (an average of \$250 per square foot) of the proposed project's residential units decline by 10 percent (to an average of \$225 per square foot), then the net fiscal impacts would correspondingly decrease.

In relation to the previous analysis of a three bedroom detached single-family home, this type of unit would now be more negative.

(Phillips Preiss Shapiro Associates Inc., Report Prepared for the Coalition for the Responsible Growth of Dover, 6/09, Pg. 22; Chris Rembold, Phillips Preiss Shapiro Associates Inc, Public Hearing Transcript, 5/30/09, Pg. 57-58)

Response G.22

While overall market statistics indicate a decline in housing market values, these figures do not directly reflect the pricing of new residential products. The pricing at Dover Knolls reflects market demand for new residential product in a highly-amenitized, mixed-use community. Pricing at Dover Knolls will not be significantly impacted by current economic conditions.

Comment G.23

The DEIS is unclear as to which unit types will be built and offered in which phase. Thus, it is impossible to analyze anything other than the impacts of full buildout, a reality that may take decades to realize. In contrast, if only the first phase is completed, and if the first phase relies heavily on single family detached homes and less so on age restricted units and commercial space, then the project is likely to result in significant negative fiscal impacts. If a second phase is not built, then the negative impacts of the first phase may never be balanced. This could have a significant negative impact on local revenues, services, and tax rates.

As fiscal performance of the project is dependent upon mix of unit types by phase, the anticipated breakdown of unit types by phase should be provided.

(Phillips Preiss Shapiro Associates Inc., Report Prepared for the Coalition for the Responsible Growth of Dover, 6/09, Pg. 24; Chris Rembold, Phillips Preiss Shapiro Associates Inc, Public Hearing Transcript, 5/30/09, Pg. 54-55, 58-59; Graham Trelstad, AKRF, Letter to the Town Board, 7/30/09, Pg. 8)

Response G.23

The DEIS included a fiscal impact assessment of Phase 1 (in DEIS Section IV), as well as the full build-out (in DEIS Section III.G). Both indicated net positive fiscal impacts. (The overall fiscal impact analysis has been updated based on the modified FEIS plan and is provided in the Appendix.) As such, the project does not involve the type of referenced situation where it would be reliant on Phase 2 revenues to balance out negative fiscal municipal impacts from Phase 1. Additional detail regarding the mix of unit types by phase is provided in Section I of this FEIS and below.

**Table II.G-5
Proposed Phase 1 Housing by Type**

Location	Unit Type	FEIS Plan		
		Total Number of Units	Age-Restricted	Age Targeted
West Side Neighborhoods	Single Family	123	19	0
	Townhouse	67	6	61
	Stacked	10		10
	Townhouse			
	Apartments, 2-story	142	0	142
	Loft	24		24
	conversion			
	Townhouse conversion	14		14
	Apts. (above retail/flex)	75	0	75
	Subtotal	455	25	430

Phase 1 of the project would be anticipated to generate approximately 186 school children, using the same multipliers presented in Section II.F and accounting for the 25 age-restricted units in Phase 1.

**Table II.G-6
Phase 1 Public Schoolchildren Generation – Rutgers University Multipliers**

Type of Unit	Number of Units	Public Schoolchildren per Household	Estimated Number of New Pupils
Single-family Detached			
3-br	52	0.64	33.28
4-br	52	1	52
5-br	0	1.23	0
Single-family Attached			
2-br	17	0.17	2.89
3-br	37.5	0.52	19.5
4-br	30.5	0.86	26.23
Multifamily -Own			
1-br	83	0.15	12.45
2-br	83	0.09	7.47
Multifamily - Rent			
2-br	75	0.43	32.25
Total	430*		
Total Number of Estimated New Pupils			186.07

Source: Burchell, et al., Residential Demographic Multipliers: Estimates of the Occupants of New Housing for NYS, June 2006, Rutgers University, Center for Urban Policy Research

*Excludes 25 units of age-restricted housing

Using the per pupil program cost paid by the local property tax estimate of \$6,962, the local cost to educate the Project-generated school children from Phase 1 would be approximately \$1,294,932. This is substantially less than the amount of school district taxes that would be paid by the Project in Phase 1 (\$2,185,000), creating a significant positive net fiscal impact of approximately \$890,068 annually for the public schools.

Phase 1 also includes nearly all (approximately 221,850 square feet) of the project’s commercial space. Assuming a proportionate employment share, Phase 1 would be anticipated to include approximately 735 employees and 445 residences. The municipal cost to serve Phase 1 has been estimated utilizing the same average per capita service cost approach used for the full build-out. As indicated, Phase 1 of the project would result in substantial fiscal benefit for both the Town and the Dover Union Free School District

**Table II.G-7
Municipal Cost Estimate – Phase 1**

Component	Population	Avg. Service Cost	Total Cost
Commercial	735 employees	\$56.76	\$41,719
Residential	455 dwelling units	\$352.33	\$160,310
Total			\$202,029

**Table II.G-8
Anticipated Fiscal Benefit – Phase 1**

Jurisdiction	Property Tax Revenue*	Service Cost	Net Fiscal Surplus
Town	\$426,000	\$202,029	\$223,971
School District	\$2,185,000	\$1,294,932	\$890,068

In addition, as described in the Response G.8 above, the average cost model assumes that the share of the cost of providing services for a new development is proportionally the same as for existing residences and businesses. However, this approach likely overstates actual costs, as the project would be responsible for providing some of its own services, which would reduce the impact on municipal costs. These figures are therefore conservative; the actual marginal costs would be lower than that projected by the average cost approach, further increasing the likely Town property tax surplus.

Comment G.24

At full buildout, PPSA estimates annual expenditures of roughly \$6,687,400, to cover the needs of all new residents, employees, and schoolchildren. Using the DEIS per capita figures would result in an estimated annual expenditure of \$974,300 greater the original PPSA estimate.

However, if we use the DEIS purported municipal (not schools) property tax revenue (Table III.G-45) of \$915,000 and subtract PPSA’s projected municipal expenditures of \$1,534,300, the result is an annual fiscal deficit of \$619,000. By low-balling the annual expenditure figure, the DEIS returns a positive annual fiscal impact.

(Chris Rembold, Phillips Preiss Shapiro Associates Inc., Addendum to Report Prepared for the Coalition for the Responsible Growth of Dover, 6/30/09, Pg. 1)

Response G.24

See Response G.12. The comment's calculation uses inflated cost factors, which produced net negative fiscal impacts. The Project will generate a significant fiscal benefit to the School District and the municipality.

Comment G.25

The project population increase would push the Town to a population of approximately 12,000. This would result in the Town of Dover becoming a Class 1 town in New York State, possibly requiring additional town services to be provided. The DEIS should take a hard look and address these issues.

(Chris Rembold, Phillips Preiss Shapiro Associates Inc, Public Hearing Transcript, 5/30/09, Pg. 50-51)

Response G.25

There are two classes of towns in New York State – first and second. With certain exceptions, a town of the second class becomes a town of the first class upon a census disclosure that the town has a population of 10,000 or more. At full build-out, the Project would be expected to increase the Town's population by approximately 3,701. With a 2000 Census population of 8,565, full build-out of the project would be expected to result in Dover becoming a town of the first class.

The distinction between first and second class towns historically grew out of a relatively narrow conception of urban area/rural areas and differences in the types of problems they faced. As noted by the New York State Comptroller's Office, "today, however, as various statutory provisions have changed and all towns have home rule powers, there is little difference, in practice, between the powers and duties of the two classes of towns."¹ The change in class would not result in significant additional administrative demands or provision of additional town services that would increase municipal costs.

Comment G.26

Fiscal impact studies are not generally cumulative. They only look at the specific project in question. Generally they neglect the fact that other developments maybe occurring during the project period. The cumulative impacts can often result in a tipping point.

(Chris Rembold, Phillips Preiss Shapiro Associates Inc, Public Hearing Transcript, 5/30/09, Pg. 60)

Response G.26

Comment noted. The School District is the largest service cost for local residents, accounting for approximately 73% of the total property tax bill. As noted by the Superintendent, the

¹ Information for Town Officials, published by the New York State Comptroller's Office, page 8.

district has sufficient capacity to accommodate the proposed project, and enrollment levels continue to trend downward. The Superintendent has indicated that the district does not need additional building space. Therefore, it is not expected that within the foreseeable future the cumulative impact of other background development activity would result in a “tipping point.” In addition, every future development project that is proposed will be similarly subject to review under SEQRA.

Comment G.27

Ten percent of the residential units would be workforce housing. This is a laudable proposal, but it was not clear from the ERA report whether it should be ten percent, five percent or fifteen percent. What is the economic viability of this?

(Christopher Wood, Chair, Oblong Land Conservancy, Public Hearing Transcript, 6/3/09, Pg. 145)

Response G.27

The 10% factor is a commonly utilized percentage for inclusionary zoning.

Comment G.28

Approximately 32 percent of the total number of units would be for those aged 55+. Approximately 48 percent of the residential units are age-targeted. What is the justification for this number of units? It would be useful to know this information.

Given the current real estate market, will there be demand for such units? This could lead to the developer requesting changes to the original project, resulting in development that bears little resemblance to the original proposal.

(Christopher Wood, Chair, Oblong Land Conservancy, Public Hearing Transcript, 6/3/09, Pg. 145-146; Christopher Wood, Chair, Oblong Land Conservancy, Letter, 6/30/09, Pg. 3)

Response G.28

The Residential Market Study estimates Market Demand for Primary Homes. Specifically, the analysis quantifies the depth of market for market-rate and age-restricted housing products. The analysis finds that between 33,414 and 39,935 qualified households will be “in the market” to purchase a market-rate home and between 29,181 and 37,814 qualified households will be “in the market” to purchase a new 55+ home between 2010 and 2019. These demand estimates indicate that the appropriate market-rate/age-restricted mix is approximately 52 percent market rate units and 48 percent age-restricted units. The mix of market-rate and active-adult housing planned for Dover Knolls reflects these analytical findings. The analysis relies on US Census data from 2005 and 2006 and real estate market conditions have deteriorated since that time. However, housing market conditions are expected to normalize in the future.

If any substantial material changes in the project are made in the future that result in a significant adverse impact that has not been studied in the DEIS, they could be subject to supplemental review under SEQRA. The age-targeted units would not have restrictions, but

by virtue of their unit type, size, and design are unlikely to attract families with children. However, in order to be conservative, no credits/adjustments have been taken related to age-targeted units for purposes of impact analysis.

Comment G.29

The market study was prepared in July 2008. Therefore, the study is outdated. We should appreciate that real estate values have diminished since this was done. The economics of the project are predicated upon an average price of \$250 per square foot. Now the average unit size is approximately 1,830 square feet, which would have an average selling price of \$457,500. If ten percent of the units are dedicated as workforce housing, the market rate units would go up in price. The finances of this need to be reviewed.

We recommend that a financial analysis be prepared that contemplates best and worst case scenarios in terms of the proposed build-out. It will be prudent to build in to the project a more conservative construction phasing of the residential element to protect against an over-supply situation developing.

(Christopher Wood, Chair, Oblong Land Conservancy, Public Hearing Transcript, 6/3/09, Pg. 146-147; Christopher Wood, Chair, Oblong Land Conservancy, Letter, 6/30/09, Pg. 3; Christopher Wood, Letter, 6/30/09, Pg. 2-3)

Response G.29

While overall market statistics indicate a decline in housing market values, these figures do not directly reflect the pricing of new residential products. The pricing at Dover Knolls reflects market demand for new residential product in a highly-amenitized, mixed-use community. Pricing at Dover Knolls will not be significantly impacted by current economic conditions. While the current economic conditions may create near-term sluggishness in project development, long-run real estate market trends indicate support for the projected pricing. Detailed financial analysis (e.g., pro forma analysis) is not required by the scope for the Dover Knolls DEIS or the SEQRA process.

Comment G.30

Phase 1A of the proposed development includes a significant amount of residential development. Recent data from Dutchess County indicates that values have fallen by approximately 24 percent between August 2007 and April 2009. The median price of a home in April of this year was \$265,000. There is an enormous gap between current sales in Dutchess County and the proposed development. This data questions whether the developer will be able to sell the residential units in Phase 1.

The rate of absorption for the residential units may not be realistic. This could be mitigated through reducing the residential units early on. Some of Phase 1A could also be extended onto the east side of Route 22.

(Christopher Wood, Chair, Oblong Land Conservancy, Public Hearing Transcript, 6/3/09, Pg. 149-151; Christopher Wood, Letter, 6/30/09, Pg. 2)

Response G.30

See Response G.21 and G.29.

Comment G.31

The DEIS should explain how the “Propensity to Buy a Second Home” in Table III.G-40 was calculated or what its source was.

(Graham Trelstad, AKRF, Memorandum to the Town Board, 7/30/09, Pg. 7)

Response G.31

Propensity to buy a second home is based on survey data collected by the National Association of Realtors, reported in the 2005 National Association of Realtors Profile of Second-Home Owners. The second-home demand estimates are calculated using current demographics and historical data concerning second home purchases. Specifically, historical probabilities are used to project demand from New York City residents and Florida “snowbirds”.

Comment G.32

The FEIS should amend the tables on pages III.G-19 and 20 to include the square footages of the commercial buildings to provide a reference point for what is proposed.

(Town of Dover Planning Board, Letter, 7/20/09, Pg. 2)

Response G.32

While detailing the square footage of each of the building referenced on pages III G-19 and 20 would require primary data collection beyond the scope of the DEIS, the following is intended to provide some additional context:

Brennan’s Supermarket at Washington Hollow Plaza, Millbrook, New York – 5,000 square feet

Big Y at 1 Kent Road, New Milford, Connecticut– 50,650 square feet

A&P at Patterson Commons, Patterson, New York – 67,300 square feet

CostCo at 200 Federal Road, Brookfield, Connecticut – 140,000 square feet

Comment G.33

The DEIS should describe the likely mix of convenience and/or comparison goods retail in the planned retail projects (listed in Table III.G-32) and in the proposed project. The analysis should assess how that mix would affect the retail supply in the proposed project’s retail trade area.

In the absence of a defined retail program from the applicant, the DEIS should provide a generic retail program that would best represent the likely retail mix as a basis for the impact analysis. The applicant may use information from the ULI Dollars and Cents of Shopping Centers to make assumptions about the tenant mix for the proposed project. According to ULI, a 170,000 sf retail center would be a community shopping center, which could have a typical tenant mix of approximately 65,000 square feet of convenience goods (including an approximately 50,000 sf supermarket), 90,000 square feet of comparison goods, and approximately 15,000 square feet combined of eating and drinking establishments and neighborhood services.²

² Urban Land Institute. *Dollars and Cents of Shopping Centers/The Score 2008*. Table 5-22, pg 195.

(Graham Trelstad, AKRF, Memorandum to the Town Board, 7/30/09, Pg. 5-6)

Response G.33

Based on ERA retail market analysis, the Dover Knolls retail program might have the following mix of retailers:

Approximately 50,000 square feet of convenience goods (including an approximately 40,000-square-foot supermarket), 100,000 square feet of comparison goods, and approximately 20,000 square feet combined of eating and drinking establishments and neighborhood services.

The retail analysis identifies “unmet demand” which can be satisfied without impacting existing retail establishments. With the exception of the supermarket, this retail program reflects the unmet demand identified by the retail analysis. That is, there is sufficient unmet demand for non-supermarket goods to support the retail program identified, above and beyond existing retail sales in the trade area. A large grocery store could be developed at the proposed project site if the store were to capture sales from existing grocers in the trade area.

Comment G.34

The DEIS bases its convenience goods analysis on a Convenience Goods Trade Area of up to 15 miles from the project site. We believe that this trade area is inappropriate for this analysis because it is too large.

The ULI Shopping Center Development Handbook provides general guidelines for primary trade area sizes based on the size of the proposed retail program. According to ULI, a retail program of 170,000 square feet would be a community shopping center, which typically has a trade area of up to 5 miles, substantially smaller than the 15 miles used in the DEIS convenience goods analysis.³

Furthermore, the DEIS defines the Convenience Goods Trade Area as the area including “households most likely to frequently shop at the proposed project for day-to-day consumer goods.” As described below, there are existing retail clusters at the edge of the 15-mile Convenience Goods Trade Area that currently provide a mix of convenience goods tenants that would be competitive and more convenient than the project site for day-to-day shopping by local residents. Therefore, these areas should not be included in the Convenience Goods Trade Area.

The DEIS, as indicated in Table III.G-23 and shown in Figure III.G-24, identifies a number of supermarkets and convenience goods stores located near the edges of the 15-mile Convenience Goods Trade Area. These supermarkets and convenience goods stores likely attract substantial convenience goods demand from residents in Millbrook, Amenia, and Pawling, as well as areas beyond the Convenience Goods Trade Area boundary. The competitive retail inventory at the edges of the 15 mile Convenience Goods Trade Area includes:

- Hannaford Supermarket at 162 Route 22 in Pawling is an approximately 40,000 square foot modern supermarket with a pharmacy. The store has a highly visible and accessible

³ Urban Land Institute. *Shopping Center Development Handbook*, 3rd Edition. Pg 46.

location with adequate parking. The shopping center also has a liquor store which adds to the attraction of the center.

- Freshtown, located at 5094 Route 22 in Amenia is a 20,000 square foot supermarket that anchors a shopping center with a parking lot in a prominent location along Route 22. The shopping center contains a variety of other tenants—including Family Dollar, Drugworld, Tractor Supply Co., Bank of Millbrook, and Label Shopper—that attract shoppers because of the opportunity they provide for multi-purpose trips.
- Marona’s Market at 32 Front Street in Millbrook is a small grocery store located in downtown Millbrook. Although the store does not carry as broad a selection of merchandise as larger supermarkets, it does carry meat, produce, and dairy products. The store is part of the broad retail fabric in downtown Millbrook that includes convenience goods stores such as specialty food stores, a pharmacy, a florist, and a wine and spirits store.

The location and composition of these supermarkets makes them more likely to attract convenience goods spending from residents in Amenia, Millbrook, and Pawling than the project site. Residents are likely to combine shopping trips for groceries with errands such as trips to the bank, pharmacy, or dry cleaner, and in most cases residents may also shop for comparison goods such as clothing or shoes on the same trip. As detailed above, the supermarkets and grocery stores in these areas are located in shopping centers that offer a variety of convenience goods, comparison goods, and neighborhood services, or in a small downtown retail cluster that includes comparison goods and other convenience goods stores. It is our opinion that many residents of Amenia, Millbrook, and Pawling will continue to do the majority of their convenience goods shopping at these stores, rather than make extended trips to the proposed project in Harlem Valley/Wingdale, because of the opportunity these stores provide for easily combining trips.

Therefore, we believe that it is inappropriate for this analysis to use a Convenience Goods Trade Area of up to 15 miles. We believe that a smaller convenience goods trade, perhaps approximately 8-miles, would be more appropriate. Although this is larger than the trade area recommended by ULI for a shopping center of 170,000 square feet, we believe an 8-mile Convenience Goods Trade Area would more accurately capture the repeat visits by households that would make up a primary trade area.

(Graham Trelstad, AKRF, Memorandum to the Town Board, 7/30/09, Pg. 6-7)

Response G.34

The trade area considered by the ERA retail market analysis was developed in conjunction with the Town of Dover and reflects a realistic draw area for Dover Knolls retailers. While ULI does provide general guidelines regarding retail trade areas, these guidelines are based on typical shopping centers in the US. ERA considered a number of location-specific factors to establish the retail trade area for Dover Knolls. The extent of the trade area considers the relative scale of the project and the competitive landscape. Specifically, the analysis considers the amount of time consumers are willing to travel for retail offerings; transportation routes in the local and regional area; and the type and location of existing retail establishments available to consumers.

Comment G.35

In the retail market analysis, the unmet expenditure potential in the Convenience and Comparison Goods Trade Areas represents the amount of additional sales needed to capture 100 percent of the trade area aggregate household expenditure potential. However, trade areas do not typically capture 100 percent of the retail expenditure potential of households living in a trade area. According to the ULI Shopping Center Development Handbook, a trade area typically captures only 70 to 80 percent of household expenditure potential.⁴ Therefore, a more appropriate and conservative metric for the analysis of unmet expenditure potential is 70 to 80 percent of aggregate household expenditure potential in the Primary Trade Area. This calculation should carry over to the calculation of unmet retail potential in terms of retail square footage.

(Graham Trelstad, AKRF, Memorandum to the Town Board, 7/30/09, Pg. 7)

Response G.35

Similar to AKRF's proposed methodology, the DEIS calculates total unmet demand, and then evaluates the required capture rate to support the proposed retail program. The DEIS states that the proposed retail program reflects a realistic capture (13 percent) of the projected unmet retail potential of 1.33 million square feet. Even if potential household expenditures are assumed (upfront) to be 70 percent of total household expenditures, the Dover Knolls retail program still reflects a realistic capture rate of less than 20 percent.

Comment G.36

The DEIS analysis identifies 314,600 square feet of planned retail (listed in Table III.G-32), but does not account for retail sales in these facilities in its calculations of unmet retail potential in 2019. We believe the DEIS analysis should deduct the estimated sales in the 314,600 square feet of planned retail from the predicted unmet retail potential in 2019.

The current analysis predicts 1.33 million square feet of unmet retail potential in 2019, but the unmet retail potential will change as a result of our comments above (i.e., adjusting the Convenience Goods Trade Area, accounting for sales in No-Build retail projects, and capturing less than 100 percent of trade area expenditures). The analysis of unmet retail demand should be revised to reflect sales in the planned No-Build projects, as well as adjustments to the size of the trade area and potential expenditures in that revised trade area.

(Graham Trelstad, AKRF, Memorandum to the Town Board, 7/30/09, Pg. 7)

Response G.36

ERA maintains that the retail market study relies on an appropriate trade area to determine unmet retail demand. The analysis shows that unmet demand is sufficient to support the Dover Knolls retail program and other proposed retail projects in the area. Subtracting the planned retail of 314,600 square feet, there is still about one million square feet of unmet retail potential in the trade area 2019.

A preliminary analysis of an eight-mile trade area indicates that downsizing the trade area in this way reduces unmet retail demand.

⁴ Urban Land Institute. *Shopping Center Development Handbook*, 3rd Edition. Pg 46.

Comment G.37

The DEIS reports that the 2007 unmet expenditure potential for supermarkets and grocery stores is \$0 in Table III.G-28. However, if the methodology of the table is followed, the unmet expenditure potential of supermarkets and grocery stores should be -\$12,363,895, not \$0, i.e. sales are exceeding expenditure potential. The DEIS should explain why this value is reported as \$0. Of course, the unmet expenditure potential of supermarkets and grocery stores will change as a result of adjusting the Convenience Goods Trade Area and assuming that less than 100 percent of trade area's convenience goods expenditure potential will be captured within the trade area. Nonetheless, if current retail sales at supermarkets and grocery stores exceed aggregate expenditure potential, the DEIS should explain: (1) where the surplus is coming from, (2) how this condition affects demand for convenience goods within the trade area, and (3) how the proposed project would affect future demand and economic conditions in the trade area.

(Graham Trelstad, AKRF, Memorandum to the Town Board, 7/30/09, Pg. 7)

Response G.37

The DEIS reports that there is currently no unmet demand for a grocery store (based on 2008 data). Sales data indicate that grocery stores in the trade attract spending from outside the trade area. Most likely, stores located at the edge of the trade area (e.g., Hannaford) attract shoppers from both inside and outside of the trade area. In general, Dover Knolls retailers will not compete for consumers residing outside the trade area. However, it may be that the uniqueness of Dover Knolls establishes it as a destination which draws sales from outside the trade area. Regardless, there is sufficient market support for day-to-day convenience retailers and at the proposed size, the retail program will achieve the necessary "critical mass" to attract shoppers from throughout the Comparison Goods trade area for purchases made less frequently. Because unmet demand is insufficient to support a large grocery store, the development of a large grocery store will increase competition among existing grocery stores to capture sales. The analysis assumes that current household spending patterns and real retail sales (plus new projects) continue into the future.

Comment G.38

There is limited financial information in the DEIS and its supporting documentation concerning the revenues and costs of the Project. The ERA report gives the total construction cost of \$613,854,000, but this does not include the cost of land. It is not clear to what extent the carrying costs are included in the soft costs. Once the cost of land is added back it is to be expected that total project cost will exceed \$613.85 million and possibly by a significant margin. It is also not clear how the different cost elements are arrived at to generate the costs as expressed on a per square foot basis.

(Christopher Wood, Letter, 6/30/09, Pg. 2)

Response G.38

Development costs are presented as part of the economic impact analysis. Because the land sale represents a wealth transfer, rather than economic activity, land costs are excluded from

the analysis. The estimated financing costs for the project are included in the soft cost figures. Cost estimates were provided by the Benjamin Companies.

Comment G.39

According to the DEIS, the developer would only receive a return of approximately 11.45 percent. This is a very thin margin for a project of this complexity and duration. It also excludes the land element, the inclusion of which would further reduce the return on cost. In my experience, most real estate developers look at a pro forma return of 20 to 25 percent on cost.

(Christopher Wood, Letter, 6/30/09, Pg. 3)

Response G.39

Comment noted. Rate of return analyses are not relevant subject matter for environmental impact statements. However, the Applicant acknowledges that the project will be challenging. The economic realities of the project ensure that the Applicant will be motivated to fully develop the project (including both sides of the property) in a timely fashion in order to recover its significant investment.

Comment G.40

I think that fiscally, a combination of the current proposal and Alternative D would probably be a successful development. We want to see a development that will not result in a fiscal negative for taxpayers until full build out and absorption in 27 years. We would rather see a project that would be fiscally positive in every phase.

The DEIS did not include a breakdown of unit my by tax benefit or detriment by unit type. To reiterate the statements of our fiscal analyst, the project should include a greater mix of residential units in every phase.

(Constance DuHamel, Deuel Hollow Conservation Association, Public Hearing Transcript, 6/3/09, Pg. 160-161)

Response G.40

See Responses G.3 to G.18.

Comment G.41

The remediation work that will be required before the adaptive reuse or demolition of buildings will generate local jobs. Speaking as a contractor, our company is based out of Albany, New York, but typically hires locally where possible. This reduces the costs to the contractor and leads to bidding that gives the contractor a better opportunity to get a job.

I would encourage local residents to begin searching for training methods to qualify them for remediation work. This project has the potential to create hundreds of jobs for many years for local residents to spend locally.

Chad Parks, ERSI, Public Hearing Transcript, 5/30/09, Pg. 34-36)

Response G.41

Comment noted.

Comment G.42

This project will create positive economic ripples in and around this community for many people. The project will create thousands of jobs for contractors and tradesman within the community. Once the project is complete permanent jobs will be created. The new population and shopping centers will also be positive for the local economy. On behalf of local contractors and tradesman I ask that the community support this project.

(J.T. Sposito, Public Hearing Transcript, 6/3/09, Pg. 32-33; Fortune Aurora, Public Hearing Transcript, 6/3/09, Pg. 39)

Response G.42

Comment noted.

Comment G.43

As a resident of Dover Plains, I believe all due consideration should be given to a project that has the potential to create approximately 800 permanent jobs and 3,300 construction jobs, turning the current abandoned buildings into a productive area.

(Rich Winters, Representative for Congressman John Hall, Public Hearing Transcript, 5/30/09, Pg. 78)

Response G.43

Comment noted.

Comment G.44

We commend you in your efforts to move this project forward. The Dutchess County Economic Development Agency and Dutchess County Empire Zone strongly approves of this project and believes it will be a great opportunity for the local community. We urge the developer to use local talent and suppliers where possible.

(Theresa Kelly, Dutchess County Empire Zone/Dutchess County Economic Development Agency, Public Hearing Transcript, 6/3/09, Pg. 199-200)

Response G.44

Comment noted. The Applicant intends to use local contractors to the maximum extent practicable, as it has traditionally done on its other large-scale projects. The Applicant has initiated outreach to establish a certified local contractor database.

Comment G.45

The state did not pay any taxes on this site; this project will.

(Linda French, Citizens for a Better Dover, Public Hearing Transcript, 6/3/09, Pg. 76)

Response G.45
Comment noted.

Comment G.46

I care about the quality of life here, and I do not want to see empty storefronts like are currently present in Patterson and Pawling. I love the idea of a walking area and own square, but I do not want to be walking around empty storefronts like in Millerton and Millbrook.

(Carla Shere, Public Hearing Transcript, 5/30/09, Pg. 99)

Response G.46

The market studies prepared for the project indicate that there is sufficient unmet retail potential to support the proposed commercial uses. The introduction of new residents, and the creation of a new community that can serve as a destination, are also envisioned to support and maintain commercial vitality. In addition, the development of the project will not involve the speculative building of large numbers of dwelling units or commercial space that would then sit vacant. The project's phased approach allows for the project to be constructed in coordination with real estate market and financing conditions and/or retailer commitments.

Comment G.47

The fiscal expert for the Coalition for the Responsible Growth of Dover pointed out flaws in the DEIS and voiced concern that the required hard look under SEQRA. I am concerned also. I have yet to see a project anywhere in Westchester or Putnam County or anywhere else which would reduce school or any other taxes.

We are concerned our Town and school taxes will increase drastically.

(Evelyn Chiarito, Public Hearing Transcript, 6/3/09, Pg. 135-136; Evelyn and Joseph Chiarito, Letter, 6/30/09, Pg. 1)

Response G.47

See Responses G.3 to G.18.

Comment G.48

The financial viability is the primary concern of the Applicant. However, it is of interest to the Town to be satisfied that the Project is sufficiently profitable for the Applicant to be keenly motivated to see the Project through to a successful conclusion.

(Christopher Wood, Letter, 6/30/09, Pg. 2-3)

Response G.48

See Response G.39.

Comment G.49

Obviously this town needs the economic benefits of the project. But the benefits need to be positive as opposed to negative impacts.

(Alan Surman, Public Hearing Transcript, 6/3/09, Pg. 166)

Response G.49

See Responses G.3 to G.18. The Project is anticipated to result in significant positive fiscal benefits for the Town and School District.

Comment G.50

Adding more single family homes on the fringes of the property will not bring the economic cohesiveness and prosperity to Wingdale that all would like to see. The revenue producing aspects of the Plan need to occur.

(Margery Josephson, President, Naromi Land Trust, Letter, 6/30/09, Pg. 2)

Response G.50

As detailed in Responses G.11 and G.12, the single-family units would be fiscally positive. However, as result of modified FEIS plan, the project now only includes approximately 179 single-family homes. The Town Center is proposed for Phase 1B.

Comment G.51

The EIS provides “rosy” financial estimates as to increased Town and School District revenues as the result of this project. Nowhere is there any kind of breakdown or listing of water and wastewater infrastructure operation costs, as well as long term costs regarding replacement of worn components, typically a 20 year cycle. Furthermore, no cost analysis is provided for the reservoir dam.

(Alan Surman, Letter, 6/30/09, Pg. 4)

Response G.51

The water and wastewater infrastructure and the dam would be owned and managed by the Project. Therefore, there would be no public costs related to their operation.

**Table II.G-9
Budget Line Item Assessment**

Fund Category	2010 Budget (\$)	Project Impact (Y/N)	Amount Required for Project	Explanation	New Budget	% Increase
General (A Fund)						
Town Board	32,136	N	0		32,136	0%
Justice	75,802	Y	14,800	Increase Pay, More Prosecutor	90,602	20%
Supervisor	93,375	Y	10,608	Conversion PT to FT Secretary	103,983	11%
Tax Collection	12,438	Y	4,975	Increase Salary	17,413	40%
Budget	19,622	N	0		19,622	0%
Assessor	68,371	Y	13,282	Conversion PT to FT Clerk	81,653	19%
Town Clerk	104,071	N	0		104,071	0%
Attorney	80,000	N	0		80,000	0%
Engineer	18,700	N	0		18,700	0%
Records Management	8,452	N	0		8,452	0%
Buildings	37,220	N	0		37,220	0%
IT	134,833	N	0		134,833	0%
Insurance	64,644	N	0		64,644	0%
Association Dues	25,400	N	0		25,400	0%
MTA Payroll Tax	2,941	Y	410	Additional Payroll	3,351	14%
Contingent	138,690	N	0		138,690	0%
Police	25,780	Y	2,970	Additional Constable Time	28,750	12%
Dog Control	11,497	N	0		11,497	0%
Safety Inspection	102,190	Y	39,491	Conversion PT to FT Code Enforcer	141,681	39%
School Crossing	9,113	N	0		9,113	0%
Registrar	4,642	N	0		4,642	0%
Highway Superintendent	79,835	N	0		79,835	0%
Garage	78,400	N	0		78,400	0%
Recreation Administration	79,303	N	8,528	Conversion PT to FT Rec Assistant	87,831	11%
Playgrounds	106,894	Y	20,197	Additional PT Groundskeeper	127,091	19%
Youth Programs	68,891	Y	20,667	Additional Rec Services	89,558	30%
Historian	2,000	N	0		2,000	0%
Celebrations	2,000	N	0		2,000	0%

Economic Conditions

Adult Recreation	49,534	Y	19,814	Additional Rec Services	69,348	40%
Zoning	6,097	N	0		6,097	0%
Planning	67,091	N	0		67,091	0%
ARB	6,444	N	0		6,444	0%
CAC	500	N	0		500	0%
Roadside Cleanup	0	N	0		0	0%
Recycling	32,754	N	0		32,754	0%
Landfill	2,224	N	0		2,224	0%
Community Beautification	1,000	N	0		1,000	0%
Retirement	110,000	Y	14,466	Additional Payroll	124,466	13%
Social Security	55,258	Y	8,008	Additional Payroll	63,266	14%
Medicare	12,923	Y	1,873	Additional Payroll	14,796	14%
Workers Compensation	10,559	Y	1,500	Additional Payroll	12,059	14%
Unemployment	3,500	N	0		3,500	0%
Disability	3,310	N	0		3,310	0%
Medical Insurance	166,321	Y	52,312	Additional FT Employees	218,633	31%
Debt Service	21,167	Y	5,000	Additional Vehicle	26,167	24%
Total A Fund Appropriations	2,035,922	Y	238,901		2,274,823	12%
Highway (D Fund)						
MTA Payroll Tax	1,377	N			1,377	0%
General Repairs	588,362	N			588,362	0%
Permanent Improvements	251,000	N			251,000	0%
Machinery	87,500	N			87,500	0%
Snow Removal	166,000	Y	7,000	Additional Salt and Sand	173,000	4%
Social Security	25,876	N			25,876	0%
Medicare	6,052	N			6,052	0%
Workers Comp	17,979	N			17,979	0%
Unemployment	500	N			500	0%
Disability	460	N			460	0%
Medical Insurance	147,584	N			147,584	0%
Debt Service	29,825	N			29,825	0%
Vehicle Leases	63,654	N			63,654	0%

Economic Conditions

Total D Fund Appropriations	1,386,169		7,000		1,393,169	1%
Town Gen and Highway Total (A & D Funds)	3,422,091		245,901		3,667,992	7%
Fire/Rescue (F Fund)						
Fire	470,267	Y	188107		658,374	40%
Ambulance	135,000	Y	54000		189,000	40%
F Fund Appropriations	605,267	Y	242107		847,374	40%
Library (L Fund)	225,000	Y	90000		315,000	40%

**Table II.G-10
Non-Property Tax Revenues**

Budget	2010 Budget (\$)	Project Impact (Y/N)	Amount	Explanation	New Total	% Increase
Interest & Penalties	14,000	Y	5600	More taxes collected	19,600	40%
Franchises	100,000	Y	40000	More Cablevision contracts	140,000	40%
Clerk Fees	4,000	Y	1600	More residents	5,600	40%
Park / Recreation Fees	85,000	Y	25500	More residents	110,500	30%
Zoning Fees	1,500	N	0		1,500	0%
Planning Board Fees	12,000	N	0		12,000	0%
Refuse & Garbage	30,000	N	0		30,000	0%
ARB Fees	1,000	N	0		1,000	0%
Interest	10,000	N	0		10,000	0%
Dog Licenses	5,500	Y	2200	More residents	7,700	40%
Building Permits	100,000	Y	10000	More residents	110,000	10%
Court Fines	80,000	Y	24000	More residents	104,000	30%
Miscellaneous	11,664	N	0		11,664	0%
State Revenue Sharing	34,000	N	0		34,000	0%
Mortgage Tax	175,000	Y	52500	More homes for sale	227,500	30%
Sales Tax	440,000	Y	3000	More sales in Dutchess	443,000	1%
State Aid - STAR	2,000	N	0		2,000	0%
Youth Grant	2,800	N	0		2,800	0%
Transfers	31,000	N	0		31,000	0%
Total	1,139,464		164400		1,303,864	14%