

MEMORANDUM

To: Town Board, Town of Tuxedo  
From: Michael N'dolo  
Date: August 30, 2010  
Re: **Additional Comments on Draft FSEIS**

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On August 6<sup>th</sup>, 2010, Camoin Associates submitted a number of comments regarding the Draft FSEIS for the Tuxedo Reserve development project. This memo is meant to supplement our August 6<sup>th</sup> letter with a number of additional concerns we have found since that time. Since those additional concerns build off the August 6<sup>th</sup> letter, we first summarize the conclusions of the letter below then describe the additional comments. Please note that all terms (in capitals) used below are defined in the August 6<sup>th</sup> letter and have the same meaning and reference.

SUMMARY OF COMMENTS FROM AUGUST 6<sup>TH</sup> LETTER

Camoin Associates found that the Revised Analysis:

- Incorrectly accounts for changes to State Aid to Schools;
- Incorrectly accounts for new property tax revenues to the Town, School District and other districts;
- Undercounts School District costs; and
- Overcounts the amount of new sales tax revenue to be received during the years when the Project is under development.

When considered in the aggregate, the Applicant's projected net benefits to the Town and School District may be overstated by over \$2 million per year. As such, the Project may, in fact, have a negative fiscal impact not described in the Revised Analysis.

ADDITIONAL COMMENTS

Since our August 6<sup>th</sup> letter, we have been made aware of a number of facts not previously considered in our analysis that could have a material impact on the Town and School District, as summarized below:

- Overstatement of Property Tax Revenue from Commercial/Industrial Sources

On page D-19 of the Revised Analysis, in Table D-18, the Applicant lays forth the estimated assessed valuation of the Project upon completion. Of the \$149,896,889 in future assessed value, \$3,732,212 was comprised of "Commercial" property assessment. That commercial assessment was detailed as being retail, office, flex/light industrial and warehouse (ignoring the community/recreation properties as per a footnote to the table in question).

However, we understand that, of the commercial property listed, only the 30,000 square feet of retail space is likely to be built. Conversely, the office, industrial and warehouse space is not likely to be built. Assuming this to be the case, only \$669,375 of retail assessed value will actually be added to the commercial tax roles as opposed to \$3,732,212 reported by the Applicant. This means that the future assessed value of the Project is overstated by \$3,062,837. Since the total assessed value is reported in Table D-18 as \$149,896,889, we then conclude that the assessed value of the Project has been overstated by 2.04%.

Overstating the assessed value of the Project by 2.04% means that the Applicant has overstated the future property tax revenue the Project will generate for the School District and the Town. Using figures provided by the Applicant in Table D-19 and Table D-24, we extrapolate that the Applicant has **overstated property tax revenues to the Town by \$110,595 and the School District by \$191,415 for a total of \$302,010 per year** once Phase Three is complete<sup>1</sup>.

- Calculation of Number of School Aged Children

In the Original Analysis and Revised Analysis, the Applicant has used a certain methodology to project the number of School Aged Children (SAC) that the Project will generate. Specifically, the Applicant formed SAC multipliers based on data sets and applied them to bedroom counts of the Project. The Applicant appears to have used such multipliers in a similar manner for both the Original Analysis and Revised Analysis.

However, we understand that the size of the residential units in the proposed revisions to the Project are of a substantially larger nature. Specifically, comparing the DSEIS appendix (PDF page 74) and the FSEIS appendix (PDF page 1011), we see that (a) Estate home square footage increases 550 sf from 4,350 to 4,900, (b) Manor home square footage increases 550 sf from 3,400 to 3,950, (c) and Cottage square footage increases 300 sf from 2,200 to 2,500. At the same time, certain units actually decreased in size. In aggregate, there is a net increase in residential square footage of approximately 58,000 across the Project.

Adding 300 to 550 sf to a housing unit may indicate additional rooms being added that may or may not be listed as “bedrooms”. However, it seems logical that a larger house would accommodate larger families and that additional rooms not currently considered bedrooms could be converted to use as bedrooms. Either way, the implication is higher numbers of SACs than reported in the Revised Analysis. Since SACs are the main driver in School District costs, the Applicant may be understating the number of new SACs and thus School District costs.

- Calculation of Residential Assessed Value

The average unit prices shown in Exhibit I-1 of the Robert Charles Lesser Company (RCLCO) market analysis (see Appendix E of the FSEIS) exceed the average 2013 assed value numbers in

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<sup>1</sup> The amount of reported property tax revenue to the School District is broken out into Residential and Commercial in Table D-24. For reasons unclear to us, the proportion of revenue from residential versus commercial does not respect the proportion of assessed valuation reported in Table D-18.

Exhibit I-2 of the same report by a factor of approximately 1.6% on average across unit types. It is unclear why this might be the case but, if residential assessments are overstated by 1.6% across the board, this corresponds to an **overstatement of residential property tax revenues of \$146,392 for the School District and \$84,581 for the Town for a total of \$230,973**. Note that we have netted out the commercial property tax base (see first comment of this memo) prior to making this calculation so as to avoid double counting any errors.