Section 3.17 Fiscal Resources

Comment 3.17-1-PHT: Whenever someone does a study of changing farmland into residences, what we find out is that it tends costs more. I would like to see if there is evidence to support this change, using no assumptions and carefully projected. [Sharon Kroeger, November 17, 2007 Public Hearing Transcript, pgs. 62-63]

Response 3.17-1-PHT: Typical residential subdivisions consisting of large homes that are occupied on a year-round basis often result in relatively high municipal service costs compared to the amount of taxes they generate. This can generally be attributed in part to a larger household size with one or more children attending school within the local school district. These types of subdivisions are also usually built on large lots, which necessitate extensive utilities, including roads, which are often the responsibility of the municipality to maintain. This increases the service burden on the municipality.

The Silo Ridge project differs from the typical subdivision in many ways. First, the project is intended to be a resort community with most, if not all, of the residential units occupied as second homes. Therefore, the permanent resident population that would require municipal services is expected to be quite small. Second, demographic research shows declining household sizes over the last several decades, and it also shows a very strong correlation between housing type and household size. The variety of unit types within the Silo Ridge project, including two- and three-bedroom flats and townhomes (as opposed to numerous uniform large-lot single-family homes), ensures that the units will appeal to many different kinds and sizes of families. Lastly, the roads and other utilities will be privately maintained, so the Town and County will not bear that cost burden. Given these considerations as well as the market values of the residential units (substantiated by the marketing study in Appendix D), which reflect the extensive amenities included in the development, the project will generate more in tax revenue than it requires in services. Also see Response m-11-29A.

Comment 3.17-2-PHT: There are so many assumptions. I think a lot more work needs to be done on that fiscal analysis to prove to the residents of Amenia that this will not have a non-beneficial tax impact. [Steven Benardete, November 17, 2007 Public Hearing Transcript, page 71]

Response 3.17-2-PHT: The Town's consultants (Greenplan and The Hudson Group) reviewed the DEIS and provided comments on the fiscal analysis, which are responded to herein. Appendix H includes a revised fiscal impact assessment, including a sensitivity analysis at the request of the Planning

Board. The Applicant also commissioned a marketing study that substantiates the market values and viability of the project. Please see Appendix D for a copy of the report. Also see Response m-11-29A.

Comment 3.17-3-PHT: The fiscal analysis relies on some form of preferential treatment for condominiums. I'm concerned about the issue of equity and fairness. Somebody from out of town could to move into a million dollar condo and they could to pay taxes as if that property was valued at half a million dollars. The question is why? [Steven Benardete, November 17, 2007 Public Hearing Transcript, pgs.72-73]

Response 3.17-3-PHT: The Town does not have jurisdiction over how the condominium tax is structured because this is determined by State Law. However, pursuant to the requirements of Article 19 of the Real Property Tax Law, the Town has the option in the future to treat the proposed condominium units as part of a "homestead class", which would change the method of assessment for the condominium component of the proposed project.

Comment 3.17-4-PHT: I would like to see an update and a more intensive study of the fiscal impacts. Specifically, numbers have been used that relate to the 2004-2005 assessment period. We have now had a town wide reassessment and it shouldn't be at all difficult to use those numbers. Our new assessment is $576,500,000. The projected value of this project is $655,700,000. So it is a bigger deal than the entire assessment of the town. Those numbers need to be clearly projected so that everybody can see really in simple terms what the impact of this project is. [Mark Doyle, November 17, 2007 Public Hearing Transcript, pgs. 80-81]

Response 3.17-4-PHT: The Applicant prepared an updated Fiscal Impact Analysis as part of this FEIS in accordance with the methodology agreed upon by the Applicant, the Planning Board, and the Planning Board's consultants (see Appendix H). In the revised analysis, the project's potential impacts to municipal taxing entities was based on the anticipated increases in costs that Town officials estimated could result from the proposed project. Please see Table 6 in Appendix H as well as correspondence documenting the conversation with Town Supervisor Wayne Euvrard, which established the potential increases. Using that methodology, the project's potential impact to municipal services is estimated at approximately $412,875 annually. Based on the project's estimated assessed value, the project is forecast to generate a tax revenue surplus of at least $470,000 annually to the Town and Fire District (see Tables 8A and 8B in Appendix H).

The project's potential cost to the School District is estimated at approximately $1,595,900. Estimated revenues to the WCSD depend, in part, on how State Aid would change, but the project is forecast to generate a tax revenue surplus to the WCSD. An analysis of potential impacts to State Aid was prepared by the Planning Board's fiscal consultant and is included in Appendix H.

It should be noted that at the request of the Planning Board's consultants, the revised fiscal analysis includes two different ways of assessing the hotel units. Therefore, results are presented in terms of Scenario A and Scenario B, where Scenario A assumes all hotel units are for sale and Scenario B assumes 225 are hotel units available for overnight rental and 75 units are for sale. In both scenarios, the hotel units that are for sale are assessed under the generally accepted methodology for assessing condominiums, as described in DEIS Section 3.17. The overnight hotel units in Scenario B are assessed based on construction costs.

Comment 3.17-5-PHT: One of the strategies they used in this projection was that they used the existing mill rate of 3.92 and pushed that forward without actually taking into account the additional total assessed value that the project would create. When you're doing a budgeting process, you have to know what the total assessed value is and then you work back to the mill rate. So it is one thing to state surpluses, but let's look at how the town actually does its budgeting process and apply that, so we can all understand the impact on our own taxes. [Mark Doyle, November 17, 2007 Public Hearing Transcript, page 81]

Response 3.17-5-PHT: Please see Response 3.17-4-PHT. The fiscal impact analysis for the project has been fully revised and is included in Appendix H.

Comment 3.17-6-PHT: Are the assessed value assumptions consistent with the current basis on which the Town calculates its taxes? No, they are not. Will that be redone? Have assessed values been confirmed by discussions with the town assessor? Have service costs been confirmed with representatives of the school district? [Michael Chamberlain, November 17, 2007 Public Hearing Transcript, pgs. 105-106]

Response 3.17-6-PHT: Please see Response 3.17-4-PHT. The school district is listed as an Interested Agency with respect to the DEIS and received a copy of the DEIS for review and comment. No comment from the School District was received besides a request to be kept informed of project developments.

Comment 3.17-7-PHT: I think we have to have independent experts hired by the town to look into some of these questions, fiscal questions in particular. I think there's too much speculation in the DEIS about school impacts, traffic, cost to the town. The general wisdom is that these developments do not pay for themselves. They only pay for themselves by bringing enough business into the town so that your sales tax from that activity is to your benefit. [Dean Kaye, November 17, 2007 Public Hearing Transcript, 154-155]

> **Response 3.17-7-PHT:** The Town's consultants reviewed the DEIS and provided comments to the Applicant, responses to which are included as part of this FEIS. Also, please see Response 3.17-1-PHT.

Comment 3.17-8-PHT: I just hope this Planning Board doesn't make a mistake and doesn't have the Silo Ridge put up a bond like Steven Benardete said. That is very, very important. We have had other people come in here and didn't do bonding, and it has cost money. So I hope the Planning Board remembers that word bond. [William Carroll, March 5, 2008 Public Hearing Transcript, page 86]

> **Response 3.17-8-PHT:** Comment noted.

Comment 3.17-9-PHT: I would definitely like to understand what market analysis has been done in terms of the draw. There are other developments that are planned and ongoing. As a significant investment, there is obviously a long-term benefit to this financially, and I would like to know more about the assumptions that underpin that. [Matthew Anderson, November 17, 2007 Public Hearing Transcript, pages 125-126]

> **Response 3.17-9-PHT:** Please see the marketing study in Appendix D. Also see Response m-11-29A.

Comment 3.17-10-PHT: One is I think we need to have some financial information about this business group, since really Amenia is going into business with Silo Ridge in a way. How many development projects has this group done before? What has been their success rate with these groups? [Romia Kimball, March 5, 2008 Public Hearing Transcript, page 14]

> **Response 3.17-10-PHT:** Please see Response m-12-PHT.

Comment 3.17-11-PHT: A project of this size must have a sufficient bond that will ensure the completion of all infrastructure and cannot be released until totally completed. [Tom Werner, March 5, 2008 Public Hearing Transcript, page 13 and Letter, March 5, 2008, Comment C]

> **Response 3.17-11-PHT:** The Applicant will be required to post performance bonds for the proposed Wastewater Treatment Plant and any on-site infrastructure that is dedicated for public ownership.

Comment 3.17-12-PHT: I also wonder what is the cost going to be to the Town, to the fire district, to the highway, if it is going to be any cost to them. Fire district, yes. Highway, hopefully not, because I hope the roads remain private. I don't think the Town should get involved with the roads here. There is a lot of rumors going around. So there's a lot of things that we are hearing in town, and that's like getting anything, rumors go around. [William Carroll, March 5, 2008 Public Hearing Transcript, pages 17-18]

> **Response 3.17-12-PHT:** The potential costs to the Town have been updated using more recent tax and assessment information, as well as the methodology that was agreed upon by the Applicant, the Planning Board, and the Planning Board's consultants. Please see Appendix H for the full analysis. The roads internal to the project site are intended to remain private; thus, the Town will not have any cost burden relating to road maintenance.

Comment 3.17-13-2D: If Amenia is going to enter into business with the proposed developers of Silo Ridge, we need specific and comprehensive financial and business information on this group: 1) their financing; 2) the number of development projects they have previously built, and their dates; and 3) the success rate of these projects. [Romia Kimball, Letter, March 24, 2008, Comment D, page 1]

> **Response 3.17-13-2D:** Please see Response m-12-PHT and the marketing study in Appendix D. Also see Response m-11-29A.

Comment 3.17-14-5A: The resort will cause a tax increase on exiting property owners. As documented by the planning authority James Sheldon, "large housing developments and a growing population almost always lead to higher property taxes for all residents of a community and its surrounding school district" and "judging from development patterns in every other town in the Hudson valley, *the costs of providing education and other public services are likely to be much, much greater than the additional tax revenues received."* (emphasis added) The Draft Environmental Impact Statement ("DEIS") suggests otherwise, but the projections in the DEIS are based on unrealistically high prices for units in the Resort. The Report of the Hudson Group, consultants to the Planning Board, notes (a) the lack of a viable market study, (b) that the Silo Ridge prices are substantially above those proposed for comparable nearby developments and (c) that the Silo Ridge prices are substantially above recent actual sales in Amenia. Simply stated, the DEIS projections re: fiscal impact are not reliable. The hope that Silo Ridge would somehow be an exception to the general trend across the country and in the Hudson valley is wishful thinking. The Planning Board should not approve the Resort, which will increase property taxes on existing landowners. [G.A. Mudge, Letter, March 19, 2008, Comment A, page 1]

> **Response 3.17-14-5A:** Please see Response 3.17-1-PHT and the marketing study in Appendix D, which substantiates the viability of the project. Please

also see Response m-8-12A regarding the sensitivity analysis for residential sales prices and the updated fiscal analysis in Appendix H. Also see Response m-11-29A.

Comment 3.17-15-5G: Property taxes on current landowners go up to provide services for the Resort whose property taxes do not cover the cost of services to the Resort, in part because of the clever "condo" structure of the Resort. [G.A. Mudge, Letter, March 19, 2008, Comment G, page 3]

Response 3.17-15-5G: Please see Response 3.17-3-PHT and the updated fiscal impact analysis in Appendix H, which shows that the project will generate a tax surplus for the Town and School District.

Comment 3.17-16-6A: The most important point: "... our central view, based on in-depth research and level-headed analysis, is that runaway growth of the sort proposed for many of our rural towns would lead to substantially higher property taxes, more crowded schools, less affordable housing, and little economic gain other than for the developers and builders whose high returns we, the taxpayers, would be forced to subsidize." We have been fairly warned. [G.A. Mudge, Letter, March 20, 2008]

Response 3.17-16-6A: Comment noted. Please see Response 3.17-1-PHT.

Comment 3.17-17-10B: The economic benefits will be diverse. Not only will the Resort itself be a steady source of income to the workers that operate it, and to the Town, but the increased burden on services such as the schools and highways should be well offset by the increased income. Local businesses that struggle will see a much needed influx of cash. [TJ Hanlon, Letter, March 6, 2008, Comment B]

Response 3.17-17-10B: Comment noted.

Comment 3.17-18-14A: That the town taxes would go down. What if the taxes go up. Where is the supporting data that the taxes will go down? [William J. Burke, Letter, November 30, 2007, Comment A, page 1]

Response 3.17-18-14A: The updated fiscal impact analysis in Appendix H projects that the project will generate a tax revenue surplus to the Town and School District.

Comment 3.17-19-25A: I would like to see an economic justification for the number of residential units proposed. The intent of the RDO district is to enhance the opportunities for tourism and recreation oriented businesses. The DEIS needs to explain how this large number of residential units enhance the business prospects of the resort. It is a resort development overlay, not a housing development overlay.... a business endeavor, not a real estate transaction. [Mark Doyle, Letter, March 24, 2008, Comment A, page 1]

Response 3.17-19-25A: The program for the Silo Ridge site is based on market research whereby numerous successful resort developments with a residential component were analyzed. The development program contains many components that function together to create a viable resort community. The property will be positioned not only as a golf destination, but also a resort destination that offers spa services, conference facilities, hiking, health and wellness, dining and other recreational amenities and services. Please also refer to Response 2.2-2-PHT.

Comment 3.17-20-26I: Condominium form of ownership. Condos or "Condominium Hotels" do not pay the same kind of taxes that regular home owners do. This discrepancy is particularly damaging to rural communities, where the other tax payers pick up some of the burden for every structure labeled with that way. Several years ago Amenia passed a local law that no existing buildings can become "condos" and benefit by such treatment. This should be the case for any structures, new or old, in the Town of Amenia. It is not fair for the Planning Board to allow a developer to come in and build homes or hotels for which existing homeowners must pay. [Sharon Kroeger, Letter, March 24, 2008, Comment I, page 3]

Response 3.17-20-26I: Comment noted. Please see Response 3.17-3-PHT.

Comment 3.17-21-33Q: While the DEIS addresses the tax impacts and benefits of the project on the Webutuck School system in terms of the tax impact of adding around 110 new students to the system versus the new tax income generated by the project, it does not calculate the impact that increasing the wealth of the District will have on NY State aid to the District. The wealth of the District will be increased significantly by Silo Ridge and this effect should be assessed by the DEIS. It may turn out that the increase in tax revenue may be canceled out by decrease in State aid. Although the District may have the physical space to accommodate the influx of students predicted by the plan, the DEIS should assess the impact on taxes that an increase in staff will entail. More students will equal more staff and this is not assessed. [David Reagon, Letter, March 20, 2008, Comment Q, page 11]

Response 3.17-21-33Q: Please see Response 3.11-4-5H.

Comment 3.17-22-GP122: Please see the report dated February 14, 2008 from the Hudson Group for Sections 3.17 – Fiscal Resources and 3.18 - Demographics. In addition to those comments, we have identified several other concerns which need to be addressed. These are noted in the following items. [Greenplan, Inc., Letter, April 6, 2008, Comment #122, page 22]

Response 3.17-22-GP122: No response necessary.

Comment 3.17-23-GP123: The single-family homes do not appear to be assessed as fee simple units. Please clarify. [Greenplan, Inc., Letter, April 6, 2008, Comment #123, page 22]

Response 3.17-23-GP123: Page 3.17-3 of the DEIS describes that all of the residential units in the Proposed Action were to be owned in the condominium form of ownership, not in fee-simple ownership. The fiscal analysis for the Proposed Action was therefore conducted under those parameters. Page 5-153 of the DEIS indicates that for the preferred alternative, the single-family homes and villas were assessed as fee-simple units, not as condominiums.

In the updated fiscal analysis prepared for the MDP (see Appendix H) all of the units are evaluated in condominium ownership rather than fee-simple ownership, except for the 41 estate single-family homes.

Comment 3.17-24-GP124: There is some concern regarding the calculations of municipal expenditures. The methodology used to determine the total existing municipal expenditures attributable to non-residential uses (STEP ONE on page 3.17-8) reveals it currently costs the Town $335,643 to service $25 million of non-residential property presently in the Town. This is the proportional share and seems OK. However, the analysis presents that it will only cost an additional $22,761 to service an additional $170 million of new non-residential property value. STEP TWO is done incorrectly as follows: $335,643 (proportional cost)/$25,103,784 (total non res. prop in Amenia) = $0.013370215 spent per dollar of assessed value of non residential property OR $335,643/$25,104 = $13.37 per $1,000 of assessed value of non-residential property. So, if the project will generate an additional $170,239,875 (real property value of commercial portions of proposed Silo Ridge) X 0.01370215 (share factor)= $2,276,143. This would appear to more accurately reflect the actual costs to the Town. It will cost the Town $2,276,143 to service $170,239,875 of new non-residential property. The analysis in the DEIS multiplies this number ($2,276,143) by a refinement coefficient of 0.01 - and therefore comes up with only $22,761. Please substantiate the use of this coefficient. How can it cost Amenia $335,000 to service $25,000,000 now, but it will only cost $22,000 to service another $170,000,000? The analysis above addressed the numbers presented in the Proposed Action, but the same issue remains for the Traditional Neighborhood Alternative. [Greenplan, Inc., Letter, April 6, 2008, Comment #124, page 22]

Response 3.17-24-GP124: The fiscal impact analysis for the proposed project has been fully revised in response to concerns about the methodology used in the DEIS. Please see Response 3.17-4-PHT and Appendix H.

Comment 3.17-25-GP125: On page 3.17-3, the DEIS states "Throughout New York State, this has the general effect of reducing the assessed value of condominium units by approximately 35 to 50%..." What is the source of the 35% to 50% for assessed value of condominiums? [Greenplan, Inc., Letter, April 6, 2008, Comment #125, page 22]

> **Response 3.17-25-GP125:** As stated on page 3.17-3 of the DEIS, the information on condominium assessment methodology was obtained through conversations with the New York Office of Real Property Services. Internet research also provides anecdotal evidence that the assessment of condos on the basis of rental income results in a reduction in assessed value of around 50%. The Hudson Group (consultant to the Town) also indicates in its comment letter on the DEIS that 50% is not an unreasonable estimate of the reduction in assessed value due to condominium ownership (see page 10).

Comment 3.17-26-GP126: The applicant should provide additional information regarding the market opportunity for a hotel in Amenia. The applicant should provide examples of other existing resorts/similar developments like this in the Northeast and proposed new ones that might compete nearby. The applicant should explain the demographics of those residing at hotels, distinguishing between long-term and short-term type markets. [Greenplan, Inc., Letter, April 6, 2008, Comment #126, page 22]

> **Response 3.17-26-GP126:** The Applicant believes this request is overly broad, and generally beyond the scope of the pending SEQRA review. For instance, the Applicant does not believe that it needs to perform a review under SEQRA of any development that does not exist, which "might compete" with the Silo Ridge Resort Community, as requested herein. To the extent that any project has come to fruition, the Applicant believes that no comparable development to the proposed resort currently exists in the marketplace. Lodging properties in the county are concentrated in larger cities and along major transportation corridors. These properties tend to capture a mix of leisure demand-particularly on weekends and in summer months-and midweek transient demand.
>
> The upscale country resort properties catering to the population base of the New York metropolitan area are primarily located farther north and east in New England. The region is known for its lakes, mountains, and beautiful scenery. In addition to being a popular East Coast ski destination, this region is also frequented by residents of New York City and New England during the summer and fall months for weekend getaways. The hotel inventory in the Hamptons is generally comprised of independent resort hotels and small bed and breakfast inns, many of which are open during the summer months. Under normal traffic conditions, the Hamptons are an approximate two to

three hour drive from Manhattan. Simply stated, the proposed location of the Silo Ridge Resort Community provides for a unique opportunity to establish a luxury country resort that is conveniently accessible via car or train from the New York metropolitan area.

Comment 3.17-27-GP127: Please prepare a sensitivity analysis for each residential component assuming 75 percent of stated market value and 50 percent of stated market value to determine the tax revenue benefit/cost to the Town of Amenia. [Greenplan, Inc., Letter, April 6, 2008, Comment #127, page 22]

Response 3.17-27-GP127: The updated fiscal impact analysis contained in Appendix H includes a sensitivity analysis of potential fiscal impacts if the project's residential market values were to be reduced by 25% or 50% (non-residential market values/construction costs were not reduced). The results indicate that in the 50%-reduction scenario, the project would provide tax revenues to the Town of more than $240,000 annually. In the 25%-reduction scenario, there would be a tax revenue surplus to the Town of more than $380,000 annually. In both cases, the project would result in a tax revenue surplus to the WCSD. It should be noted that the project's actual municipal service costs are likely to be less than estimated due to the facts that the project will have its own water supply and wastewater system and that interior roadways will be privately owned and maintained.

Comment 3.17-28-GP128: The applicant should provide substantiation for assumptions on percentages of year-round residents versus second homeowners. [[Greenplan, Inc., Letter, April 6, 2008, Comment #128, page 23]

Comment 3.17-28-GP128: Please see the marketing study in Appendix D. Also see Response m-11-29A.

Comment 3.17-29-PHT/m-7-2E: I would like to know what kinds of contractual obligations can be constructed, what sort of creditworthy vehicles can be constructed to give those kinds of assurances, so that whatever expectations the town or the community has in entering into this can in fact be delivered on. [Michael Chamberlain, November 17, 2007 Public Hearing Transcript, page 105]

Response 3.17-29-PHT/m-7-2E: Please see Response 3.8-21-PHT.

Comment 3.17-30-HG1: Market viability of project. The DEIS lacks the necessary qualitative discussion and has no quantitative analysis on the marketability of the Project's luxury residential dwelling units - the proposed numbers, types and selling prices-either for use as second or vacation homes, or as primary residences. This is a major deficiency, since the property tax revenue projections and DEIS frequently stated positive fiscal impact for the Town of Amenia and Webutuck School District is very sensitive to the selling prices/market value of the dwelling units. [The Hudson Group LLC, Letter, February 14, 2008, Comment #1, page 1]

> **Response 3.17-30-HG1:** Please see the marketing study in Appendix D. Also see Response m-11-29A.

Comment 3.17-31-HG2: Market viability of project. The proposed selling/market values for apparently comparable residential housing units in the Traditional Neighborhood Alternative is significantly higher than in the original Proposed Action – from 28 percent to 71 percent. No explanation is provided on how the market value determinations were made under either scenario; or why there is such a significant increase in per unit market values between the Proposed Action and the Traditional Neighborhood Alternative. [The Hudson Group LLC, Letter, February 14, 2008, Comment #2, page 1]

> **Response 3.17-31-HG2:** Please see the marketing study in Appendix D for a discussion of the marketability of the project. Also see Response m-11-29A.

Comment 3.17-32-HG3: Market as second/vacation dwellings. The DEIS does not demonstrate that the prices being proposed for the Project's dwelling units are competitive with other similar dwellings in other new and proposed upscale second type resort projects in the Hudson Valley, Western Connecticut and the Berkshires. We believe they are too expensive under current and near term market conditions. [The Hudson Group LLC, Letter, February 14, 2008, Comment #3, page 1]

> **Response 3.17-32-HG3:** Please see the marketing study in Appendix D. Also see Response m-11-29A.

Comment 3.17-33-HG4: Market as second/vacation dwellings. About 15 miles away, to the northwest, in the Town of Pine Plains a comparable luxury golf resort/intended second home project- The Carvel Development Project- is being proposed. Comparing the proposed selling prices for comparable types and sizes of residential units, we find that the Project's are being priced anywhere from 67% to 271% greater than Carvel's. Therefore, it appears that Silo Ridge's prices are too high. [The Hudson Group LLC, Letter, February 14, 2008, Comment #4, page 1]

> **Response 3.17-33-HG4:** Please see the marketing study in Appendix D. Also see Response m-11-29A.

Comment 3.17-34-HG5: Market as primary homes. To be successful as primary homes for permanent residents the Silo Ridge properties must appeal to and find housing buyers with very different profiles and financial resources than those currently buying homes in the Amenia area. The DEIS provides no such analysis for this type of market. [The Hudson Group LLC, Letter, February 14, 2008, Comment #5, page 1]

Response 3.17-34-HG5: The project does not intend to be a primary home development. Its target market is people looking for vacation or second homes. It intends to appeal to a different market compared to those who are buying primary homes in Amenia. The marketing study prepared by The Weitzman Group in Appendix D substantiates the strength of the market for the proposed type of development. Also see Response m-11-29A.

Comment 3.17-35-HG8: The fiscal impact analysis is premised on the estimated housing unit market values provided for the Traditional Neighborhood Alternative, which we believe may be too high. Any change in these projected housing unit values will lead to significant and substantial changes in the fiscal impact on the Town of Amenia and the Webutuck School District. [The Hudson Group LLC, Letter, February 14, 2008, Comment #8, page 2]

Response 3.17-35-HG8: Please see the marketing study in Appendix D. The Applicant also prepared a sensitivity analysis on the residential market values as described in Response 3.17-27-GP127. Please see Appendix H. Also see Response m-11-29A.

Comment 3.17-36-HG9: Assessed value and revenue estimates. Given the estimated housing unit values provided, both the assessed values and property tax revenues projected are accepted. [The Hudson Group LLC, Letter, February 14, 2008, Comment #9, page 2]

Response 3.17-36-HG8: No response necessary.

Comment 3.17-37-HG10: Amenia Expenditures Impact Estimates. We find issues with the methodology, the analysis and data. The methodology used, the Per Capita Method and Proportional Valuation Method, while widely recognized, is premised on some key assumptions that are not likely valid for this Project. This methodology can be used with confidence only for developments that are proportionately smaller compared to a municipality's base. [The Hudson Group LLC, Letter, February 14, 2008, Comment #10, page 2]

Response 3.17-37-HG10: Please see Response 3.17-4-PHT. The Applicant has revised the fiscal impact analysis according to the methodology agreed to by the Applicant, the Planning Board, and the Planning Board's consultants.

Comment 3.17-38-HG11: Amenia Expenditures Impact Estimates. The proper way to address the impact on the town of Amenia would have been an analysis of the impact on operating and capital costs of each and all governmental functions. A 22%

increase in town population will not impact town functions and services uniformly. Some functions may have proportional per capita cost impacts in line with existing per capita expenditures, some much less, and others significantly more. [The Hudson Group LLC, Letter, February 14, 2008, Comment #11, page 2]

Response 3.17-38-HG11: Please see Response 3.17-4-PHT.

Comment 3.17-39-HG12: Amenia Expenditures Impact Estimates. Several data problems exist with the methodology used, and include: the number of residential parcels in Amenia; the assessed value of the residential properties, and; the assessed value used in the calculations. Without corrections it is not possible to calculate an estimated cost impact for the Town. [The Hudson Group LLC, Letter, February 14, 2008, Comment #12, page 3]

Response 3.17-39-HG12: Please see Response 3.17-4-PHT.

Comment 3.17-40-HG18: There is a lack of any extensive qualitative discussion and no quantitative analysis on the marketability of the Project's luxury residential dwelling units for the Proposed Action design or Traditional Neighborhood Alternative design. The proposed number of housing units, whether as primary residences or seasonal, second homes, and the very high selling prices indicated requires a thorough market analysis documenting both the demand for this type of resort housing and the market for the housing units sales prices being put forth. The market analysis for the Silo Ridge resorts is limited to such statements as: "The project will be marketed to specific targeted demographics, including residents of the New York Metropolitan area who desire a country home for weekend getaways. Recent studies and reports done on the second-home market reveal that the typical second-home buyers are relatively affluent middle-aged couples with household incomes greater than $75,000 and no children under 18 living at home…" The lack of a viable market study is a major deficiency since the DEIS fiscal impact analysis property tax revenue projections are derived from the assessed valuation derived from the projected unit and aggregated market prices. The positive fiscal net surplus for the town and school district revenues against the costs of the project as shown on table 3.17.9 on page 3.17-10 and in table 5-18 on page 5-154 is therefore, unsupported. [The Hudson Group LLC, Letter, February 14, 2008, Comment #18, page 1]

Response 3.17-40-HG18: Please see the marketing study in Appendix D. Also see Response m-11-29A.

Comment 3.17-41-HG19: Given the recent meltdown of the residential housing market nationwide, including effects on the second home resort market, and our specific findings on current market prices in the Town and school district area, we believe the selling prices being proposed could be significantly above the current and near term marketability of these types of properties, either for second/vacation homes or primary residences. [The Hudson Group LLC, Letter, February 14, 2008, Comment #19, page 1]

Response 3.17-41-HG19: Please see the marketing study in Appendix D. Also see Response m-11-29A.

Comment 3.17-42-HG44: Town of Amenia Added Cost Estimates. Even were the Burchell methodology appropriate there are a number of issues surrounding the Determination of Fiscal Cost Impact Parameters as shown in Table 3.17-5, page 3.17-6. The Applicant's expenditure data comes from the 2006 town of Amenia proposed budget. Actual 2006 expenditure information is now available. The combined General Fund/Highway budget was $2,019,277. Actual 2006 town (excluding special districts) expenditures were $2,031,982. These numbers are very close and no issue is raised with the budgeted data used. Total parcels are shown as 1,865 with 1,774 residential parcels. There is agreement on the total parcel count, however, it is unclear how the 1,774 residential parcel count was derived by the Applicant. A breakdown of the 1,865 parcels is as follows:

Agricultural properties	121
Residential properties	1,146
Vacant land	405
Commercial properties	94
Recreation & entertainment properties	4
Community service properties	41
Industrial properties	16
Public service properties	26
Public parks, wild, forested & conservation	12

Residential properties are 61.4% of the total parcels. Even if residential and vacant are combined, they constitute 83.2% of total parcels. There is no combination that gets to 95% of the parcels being residential as portrayed in Table 3.17-5. The percentage of residential parcels is a very key factor in the Burchell methodology calculations. [The Hudson Group LLC, Letter, February 14, 2008, Comment #44, pages 11-12]

Response 3.17-42-HG44: Please see Response 3.17-4-PHT.

Comment 3.17-43-HG45: The assessed value for the town of Amenia is shown by the Applicant as $307,625,525. It is not clear what this number is or where it came from. The important assessed value number is that for the assessed value of taxable property (with wholly exempt properties and partial exemptions excluded). The assessed value of taxable property for the 2006 county and town tax levy was $266,308,657. It is this assessed value that should be used in doing tax impact analysis. [The Hudson Group LLC, Letter, February 14, 2008, Comment #45, page 12]

Response 3.17-43-HG45: Please see Response 3.17-4-PHT.

Comment 3.17-44-HG46: As with the residential parcel count, it is not clear how the $282,521,741 for residential assessed value was determined. It is extremely high, and incorrect, given the parcel count breakdown and the taxable assessed value for the town is $266,308,657 for all properties. [The Hudson Group LLC, Letter, February 14, 2008, Comment #46, page 12]

Response 3.17-44-HG46: Please see Response 3.17-4-PHT.

Comment 3.17-45-HG47: Given the difficulties cited above [HG Comments HG45/HG46] it is not possible to verify or calculate an estimated municipal residential-associated expenditure. The problems with the residential expenditure estimate makes it impossible to take the analysis the next step and determine the added costs for the nonresidential part of the Silo Ridge project as was done in Table 3.17-7 on page 3.17-8. The commercial analysis flows from the residential analysis and cannot be done independently. If one simply uses the most simplistic approach of calculating the total Amenia 2006 budget on a per capita basis, which is not recommended, one gets a per capita expenditure of $598. Multiplying this per capita budgeted expenditure number by the number of new Silo Ridge residents of 913 results is an added cost of $545,974. This figure is very close to that projected from the Burchell methodology of $536,062. As we have noted, the proper way for the expected added costs for the town of Amenia resulting from the Silo Ridge is a town function by function analysis of both operating and capital needs and requirements. Given the fact that the Silo Ridge project is adding 21.7-22.6 percent more population to the town (depending on whether the 2000 census or the 2005 population estimate is used), it is important that the full impact on the cost structure of the town be carefully analyzed and evaluated. [The Hudson Group LLC, Letter, February 14, 2008, Comment #47, page 12]

Response 3.17-45-HG47: Please see Response 3.17-4-PHT.

Comment 3.17-46-40A: As everyone realizes, we are currently in the midst of the most serious housing downturn since, perhaps, the Great Depression. At the same time, there is a liquidity crisis in the banking system that threatens its solvency. The dollar is weak, gas prices are high, inflation is spreading and we are probably in a recession. With the future so uncertain, this is not the best time for the Town of Amenia to undertake such a project. At the very least, it should establish financial benchmarks for both the developer and, if possible, create a financial guarantee structure as a condition precedent for allowing the project to proceed. [John A. Duffy, Letter, March 25, 2008, Comment A, page 1]

Response 3.17-46-40A: Please see the marketing study in Appendix D. Also see Response m-11-29A.

Comment 3.17-47-40B: The project should not be approved unless both the owner-developer and the actual builder have been financially pre-qualified. This is something that can be done by a financial analyst who knows real estate and construction accounting. [John A. Duffy, Letter, March 25, 2008, Comment B, page 1]

Response 3.17-47-40B: Please see Response m-11-29A.

Comment 3.17-48-40C: Except in the unlikely event that the owner-developer uses its own capital to fund the project – thereby, assuming the construction risk itself – the builder should be bonded to the owner-developer and to the Town of Amenia as well, if the town can insert itself into the construction contract. [John A. Duffy, Letter, March 25, 2008, Comment C, page 1]

Response 3.17-48-40C: Please see Response m-11-29A.

Comment 3.17-49-40D: In the event that number 2 [Comment 3.17-48-40C] cannot be negotiated, the same effect can be achieved by the construction lender requiring a completion bond (as opposed to a contract performance bond). Such a bond would run in favor of the bank and the owner-developer as co-obligees and, in addition to guarantying the work, would also guaranty the repayment of the construction loan from the proceeds of the construction contract. While the lender would almost certainly require such a bond, the Town of Amenia should insist on it as a prerequisite to approving the project. If achievable, this would actually be preferable to number 2 [Comment 3.17 -48-40C]. [John A. Duffy, Letter, March 25, 2008, Comment D, pages 1-2]

Response 3.17-49-40D: Please see Response m-11-29A.

Comment 3.17-50-40E: In most counties in the US, including those in New York State, a housing developer must post bonds directly to the county. These obligations, commonly known as subdivision bonds, cover site improvements, such as grading, storm drains, utilities, curbs, gutters, streets and sidewalks. While the oblige on these bonds would be Dutchess County, the Town of Amenia should make sure that the necessary subdivision bonds would in fact be required. [John A. Duffy, Letter, March 25, 2008, Comment E, page 2]

Response 3.17-50-40E: Please see Response m-11-29A and Response m-21-41H. In addition, Section 119 of the Transportation Corporation Law provides for the posting of guaranties for a Sewage-Works Corporation.

Comment 3.17-51-38F: And what of property tax implications for the average property owners in our township now with the introduction of Townhouse and Condominium unit - essentially providing a tax-dodge for the wealthy. [Patrick J. Nelligan, Letter, March 24, 2008, Comment F, page 5]

Response 3.17-51-38F: Please see Response 3.17-3-PHT and the updated fiscal impact analysis in Appendix H, which shows that the project will generate a tax surplus for the Town and School District.

Comment 3.17-52-41I: There is no financial analysis with respect to the costs to construct, or connect to, or operate, or manage, or maintain the water and wastewater treatment plants. Other than the statement that the Sponsor will pay for the construction of the plants, the only other apparently cost-related statement concerns the wastewater treatment plant (separately, the "WWTP") whereby the Sponsor maintains in bald terms: “The only cost that hamlet residents would have to bear would be the cost of the sewer conveyance system." DEIS at p. 5-151. I respectfully submit that this is an entirely inadequate discussion of the risks to the Town associated with this aspect of the Project. As discussed above, the Town should understand all of the costs and risks associated with the construction, connection, operation, management and maintenance of the water and wastewater treatment plants, particularly in the event that the Sponsor is unable, or unwilling, or fails to perform any of those tasks, and the costs are unavoidably shifted to the Town. [Bart Wu, Letter, March 25, 2008, Comment I, page 3]

Response 3.17-52-41I: Please see Response 3.8-15-GP104.

Comment 3.17-53-41J: What are the projected costs to the Sponsor, to each unit, to each property in the hamlet and to the Town for the construction, connection, operation, management and maintenance of the water and wastewater treatment plants over the first five-year period, assuming that the Sponsor is able to fulfill its obligations? [Bart Wu, Letter, March 25, 2008, Comment J, page 3]

Response 3.17-53-41J: The project will have its own water supply system for use by the proposed development. The costs to each user of the site’s water and wastewater system will be determined at a later date. Regarding the costs to the hamlet for connection to the site’s WWTP, please see Response 3.8-15-GP104.

Comment 3.17-54-41K: What are the costs to each of the above entities [Sponsor, to each unit, to each property in the hamlet and to the Town] if the Sponsor is unable to fulfill it obligations after the first year of operation of with plant? After the second year? After the fifth year? [Bart Wu, Letter, March 25, 2008, Comment K, page 3]

Response 3.17-54-41K: Please see Response 3.17-53-41J.

Comment 3.17-55-41L: What is the projected yearly amortization and depreciation for each [WWTP and water] plant, on a straight-line basis, and over what period? [Bart Wu, Letter, March 25, 2008, Comment L, page 3]

Response 3.17-55-41L: Please see Response 3.17-53-41J.

Comment 3.17-56-41M: What is the projected three-year operating and capital budget for each [WWTP and water] plant? [Bart Wu, Letter, March 25, 2008, Comment M, page 3]

Response 3.17-56-41M: Please see Response 3.17-53-41J.

Comment 3.17-57-41CC: The success of the Project and the corresponding anticipated tax revenues largely depend upon the successful sale of the units. However, there is very little, if any, quantitative or financial analysis about the marketability of the Project's units, the basis for establishing the market values of the units, the rationale for changing the market values between the Proposed Action and the Traditional Neighborhood Alternative Development Program (as such terms are used in the DEIS), or the strategy for effectively selling the units in a competitive or declining housing market. What is the basis for establishing the market values of the units in the DEIS? Would the Sponsor please provide copies of all marketing materials used to sell the units? [Bart Wu, Letter, March 25, 2008, Comment CC, pages 6-7]

Response 3.17-57-41CC: Please see the marketing study in Appendix D for substantiating information. Also see Response m-11-29A.

Comment 3.17-58-41DD: Inasmuch as the market has substantially changes since the market values of the Town and the units were established, shouldn't the Sponsor provide revised estimates of the market values of the units in light of the increasingly competitive and declining real estate market? [Bart Wu, Letter, March 25, 2008, Comment DD, page 7]

Response 3.17-58-41DD: Please see the marketing study in Appendix D. Also see Response m-11-29A.

Comment 3.17-59-41EE: Outside experts have indicated that the market values in the Project are substantially above the market for the sale of comparable units in nearby projects that offer similar amenities, but may have significantly more attractive vistas and are closer to more commercial towns that the Project. On what basis should the Board, or the Town, believe that the Sponsor can successfully sell the units in the Project at the currently projected market values that are apparently as much as 270% higher than the prices for units at the nearby project (See e.g., Report at p.2). [Bart Wu, Letter, March 25, 2008, Comment EE, page 7]

> **Response 3.17-59-41EE:** Please see the marketing study in Appendix D. Also see Response m-11-29A.

Comment 3.17-60-41FF: Exhibit 1A attached hereto reflects the estimated household income that is necessary for a purchaser to buy a unit in the Project at the average of the market values for such unit. What is the Sponsor's explanation why it believes that it will be able to attract the approximately 1% of the population that has the income to afford, and is in the market to purchase, such units within the Town? [Bart Wu, Letter, March 25, 2008, Comment FF, page 7]

> **Response 3.17-60-41FF:** Please see the marketing study in Appendix D. Also see Response m-11-29A.

Comment 3.17-61-41GG: Exhibit 1B attached hereto reflects the estimated household income that is necessary for a purchaser to buy a unit in the Project at the lowest amount of the estimated market value for such unit. Even under the scenario only 1% of the population is able to afford to purchase such units within the Town. How will it be feasible to sell the units even at the lowest estimated market values? [Bart Wu, Letter, March 25, 2008, Comment GG, page 7]

> **Response 3.17-61-41GG:** Please see the marketing study in Appendix D. Also see Response m-11-29A.

Comment 3.17-62-41HH: Has the Sponsor prepared a market or feasibility study or completed a sensitivity analysis for the Project and shouldn't it be provided for review? Isn't the market for purchase of such units different from the market for the purchase of other properties in the Town? [Bart Wu, Letter, March 25, 2008, Comment HH, page 7]

> **Response 3.17-62-41HH:** Please see the marketing study in Appendix D. This report was submitted to the Board and its consultants for review in April 2008. Also see Response m-11-29A.

Comment 3.17-63-41II: In particular, shouldn't the Sponsor prepare a sensitivity analysis to demonstrate the viability of the Project if sales are 10%, 25%, 50%, 75% or more below the lowest estimated market value as set forth in the DEIS? [Bart Wu, Letter, March 25, 2008, Comment II, page 7]

> **Response 3.17-63-41II:** Please see Response 3.17-27-GP127 and Appendix H.

Comment 3.17-64-41JJ: What would be the resulting amount of anticipated tax revenues to the County, Town, fire district and school district, assuming unit sales are 10%, 25%, 50%, 75% or more below the lowest estimated market value as set forth in the DEIS? [Bart Wu, Letter, March 25, 2008, Comment JJ, page 7]

Response 3.17-64-41JJ: Please see Response 3.17-27-GP127 and Appendix H..

Comment 3.17-65-41KK: Inasmuch as the Sponsor proposed to benefit from the State's tax benefits for condominiums, and has estimated the assessed value of Flats, Hotel units and Townhouses at only 33.5% of the estimated market values, what would be the projected assessed values of such Flats, Hotel units and Townhouses assuming unit sales are projected at 10%, 25%, 50%, 75% or more below the lowest estimated market value as set forth in the DEIS? [Bart Wu, Letter, March 25, 2008, Comment KK, page 8]

Response 3.17-65-41KK: Please see Response 3.17-27-GP127 and Appendix H.

Comment 3.17-66-41O: What insurance, bond, indemnity, contingency fund or reserve fund will the Sponsor provide and have available for the benefit of the Town if either the water plant or the WWTP are improperly constructed, or connected to, or operated, or maintained? What financial resources are available from the Sponsor and its principals if there is a leak or contamination? If there is a sale or transfer of the Sponsor or principals, what assurance there be of a continuance of such insurance, bond, indemnity, contingency fund or reserve? [Bart Wu, Letter, March 25, 2008, Comment O, page 4]

Response 3.17-66-41O: The WWTP and water plant will be designed and constructed to minimize future risk of leak or contamination. For example, the WWTP is being designed to ACI code, which limits deflection that could cause cracks in the WWTP over its lifespan and requires concrete mixes that resist corrosion from sulfates and prevent wicking action. During construction, an engineer will be present to monitor the placement of concrete, and air entrainment and slump tests will be performed on the concrete during placement to insure design strength is achieved. For the water plant, all tanks will be tested to insure water tightness and structural integrity.

During construction, the contractor will provide a bond for 12 months to insure that any defective items are repaired. The equipment itself has a 12-month warranty from startup provided by the equipment suppliers.

Per Section 3.14 of the DEIS, the plan is to initially build and operate the proposed WWTP as a privately-owned facility. Under this plan, the Town of

Amenia would consent to the formation of a private Sewage Works Transportation Corporation pursuant to Article 10 of the Transportation Corporations Law. Thus, the Sewage Works Corporation would own and operate the wastewater infrastructure, and would generate operating revenue by collecting sewer fees from the residents of the development and from the commercial properties such as the golf course (clubhouse) and hotel. The Sewage Works Corporation would then carry the necessary insurance. See also Response m-21-41H.

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