

Response 5.1-6-34K: Please see Response 3.12-3-PHT.

5.2 Preferred Alternative Fiscal Issues

Comment 5.2-1-4C: Section 5 of the DEIS discusses the alternatives to the project. In my opinion, if approval is your decision, then the Traditional Neighborhood Development scenario would appear to be compatible with the town's Master Plan. However, considering the fact that the figures for revenue for the town from this project seem to be predicated on it being fully developed, it may be a scenario that never really plays out, especially as we compete with other similar developments being planned for Eastern Dutchess. Then what? [Arlene Iuliano, Letter, March 18, 2008, Comment C]

Response 5.2-1-4C: Comment noted. The Applicant intends to build the complete project and has done market research which indicates support for such a development in the market. See Appendix D for the marketing study. Also see Response m-11-29A.

Comment 5.2-2-GP1: The applicant has presented the Planning Board with another version of the preferred plan at the March 27th workshop meeting and our understanding is that a formal submission will be made shortly. We would ask, for purposes of clarity in identifying the proposed changes and in terms of conducting a review, that the applicant provide "blue-line" drawing which shows the new plan

overlaid on the "preferred alternative" along with a narrative describing the changes. [Greenplan, Inc., Letter, April 6, 2008, Comment #1, page 2]

Response 5.2-2-GP1: The requested map was prepared and submitted to the Planning Board and its consultants on April 3, 2008. The narrative explaining the "Outline of Proposed Improvements" was included in the MDP dated April 3, 2008.

Comment 5.2-3-GP9: For the preferred alternative, the DEIS states the hotel will contain 300 rooms but 393 keys. This concept needs to be more fully explained. It should be clear how the "extra" 93 will be used in the day-to-day operations of the hotel. There should be a discussion of how this concept was accounted for in the relevant analyses including but not limited to parking, fiscal and demographics. The DEIS also notes 453 bedrooms. This should also be discussed in the FEIS. [Greenplan, Inc., Letter, April 6, 2008, Comment #9, page 3]

Response 5.2-3-GP9: The hotel is comprised of 300 units. Some of those are larger units that can serve a larger party, or that may be split into two smaller units for rental to separate parties if the larger space is not needed. Therefore, from a worst-case scenario, where relevant the DEIS assumed that full occupancy of the hotel meant that every unit, split into its smallest configuration, was occupied – hence, the 393 "keys", meaning that a maximum of 393 separate parties could occupy the hotel at a time.

The water and wastewater analyses in the Section 5.2 of the DEIS took into account, in the calculations of water demand and wastewater generation, the total number of bedrooms in the hotel by assuming 1.5 bedrooms per hotel unit. The traffic analysis also considered the number of lock-offs, since again, 393 separate parties (presumably in separate vehicles) could be at the hotel at a time. The demographic, schools, and fiscal analyses did not consider the number of lock-offs or bedrooms in the hotel because the hotel is not a population-generating use (it is prohibited from functioning as a permanent residential facility); therefore, the number of units in the hotel is not relevant to those analyses.

Subsequent to the conclusion of the public comment period on the DEIS, the Applicant reduced the number of residential units proposed from 359 to 338, and reduced the number of lock-off units in the hotel from 93 to 67. The total number of bedrooms now proposed in the hotel is 437, regardless of the distinction in units between lock-offs and "regular" units. The updated comparison table in the Executive Summary of this FEIS considers the reduced development program in the quantification of environmental impacts.

Detailed parking has been provided in the MDP, which is included in this FEIS as Appendix M.

Comment 5.2-4-GP11: On page 1-27, the applicant has indicated the Traditional Neighborhood alternative will include a wastewater treatment plant with additional capacity to serve the Hamlet of Amenia in lieu of providing affordable housing per the requirements of town's Zoning Code. How much extra capacity is being provided? Will it be enough to cover the entire Hamlet? What is the estimated cost to the Town to connect some or the entire Hamlet to this plant? The public benefit needs to be clearly explained in the FEIS. [Greenplan, Inc., Letter, April 6, 2008, Comment #11, page 3]

Response 5.2-4-GP11: Please see Response 3.8-15-GP104.

Comment 5.2-5-GP34: The applicant discusses rock excavation on page 5-36 for the preferred alternative and states "rock excavation will be minimized as much as possible by developing engineering alternatives to avoid rock where possible". What does this statement mean? The applicant should clearly define "engineering alternatives". Does this mean alternative design? Alternative locations? Alternative technologies? If so, how will the Planning Board evaluate these alternatives? [Greenplan, Inc., Letter, April 6, 2008, Comment #34, page 6]

Response 5.2-5-GP34: The project does anticipate some blasting of rock and utilizing the rock that is generated. However, the project's MDP submitted April 3, 2008 has already implemented engineering that has reduced the potential for rock blasting. This included shifting of roads, structures, and elevations of same. For example, raised the clubhouse parking structure was raised in elevation, the block B road was shifted east from the knoll, the single-family home road was shifted to allow for saving of rock outcroppings and the homes will be designed to fit within the topography as opposed to be major cuts to provide for traditional flat home sites. Also, block B parking below the green was eliminated and is now incorporated within the footprints of the structures in this area, and the configuration at the wooded knoll in Block E and F also eliminated some blasting. The Applicant does not anticipate significant additional shifting of structures in the future but it is likely that additional engineering would be implemented for utility locations in an attempt to shift routing around rock where feasible.

Comment 5.2-6-GP36: For the preferred alternative, the applicant has provided a table of wetland impacts (Table 5-4). The applicant needs to explain if the acreage of disturbance includes grading and excavation outside the wetland boundaries. Also, the applicant should explain what is meant by a "temporary" impact as noted for wetlands J, V and L/QQ. The applicant should describe any permits needed from the ACOE or DEC for this project in the FEIS. The applicant also needs to explain

how this is consistent or inconsistent with the purposes of the RDO as it relates to significant protection of water resources. [Greenplan, Inc., Letter, April 6, 2008, Comment #36, page 6]

Response 5.2-6-GP36: The subsequent pages of the DEIS provide explanations of this table. DEIS page 5-47 indicates that there will be no regulated activities occurring within the NYSDEC wetland or its 100 foot adjacent area. DEIS page 5-47 also describes the temporary impacts to areas J, V and L/QQ for utility crossings. The impacts are temporary because the project will restore the wetland once the installation is complete. DEIS page 5-49 describes the wetland permits required for the Traditional Neighborhood Alternative.

It is anticipated that a Nationwide Permit 39 or 42 will be required for the project with notification from the ACOE. See Response 3.2-21-GP35 for a discussion of the ACOE's comments on this project. It is not anticipated that the NYSDEC will require an Article 24 Freshwater Wetland Permit for enhancements to the buffer area of NYSDEC Wetland AM-15. The project will require an Article 15 stream disturbance permit from the NYSDEC for grading in the area of Hole #4. On April 22, 2008 the NYSDEC made an on-site review of this area and the Hole #4 floodplain restoration project. See Response 3.2-22-GP37 and Response 3.2-20-33C regarding the consistency of the project with the Stream Overlay District regulations.

With regard to wetland buffers and the RDO, the Applicant has developed, in consultation with consultants from the Town of Amenia, a Habitat Management Plan to maintain or improve buffers around water courses and wetlands on the site (see Appendix F). With regard to the Town of Amenia Zoning Code, Section 121-35 provides for Wetlands and Watercourse Protection. In general, this code requires a) that if a project in front of the Town for permits also requires state or federal wetland or water course permits, the Applicant provide copies of all wetland correspondence to the Town; b) that the Applicant provide mapping illustrating the locations of all state and federal wetlands on the site and that a wetland delineation may also be used to calculate maximum density; c) that the Town of Amenia may incorporate conditions of the state and/or federal wetland permits into their own town review, and may also impose additional conditions as necessary to reduce impacts, including revisions to the plans as necessary to reduce impacts; and d) for projects in the RDO where a DEIS has been submitted prior to the adoption of this section of the Zoning Code, the environmental analysis in the DEIS will provide a substitute for the Town's review of wetlands and watercourses. For this project, the Applicant is complying with this section.

Comment 5.2-7-GP2/6/139: The relationship of the conservation analysis, contained in the DEIS, to the preferred alternative needs to be clearly articulated in the document. Please see item 6 below for additional detail. A critical issue related to the development of a proposal in the RDO District is the preparation of a conservation analysis which then drives the development of the preferred alternative and the MDP. It is understood that the DEIS represents the conservation analysis of the site. There should be a rationale and logic for the public to follow which describes how the plan came to be in its current form and how that reflects the design team's findings as they relate to the conservation analysis. Summarize the conservation analysis, clearly identify areas to be protected as a result of the analysis, clearly identify areas which will be affected by the project and relate the proposal to the applicant's conservation findings. As noted in Comment item #6 above, an explanation of the conservation analysis and how it relates to this plan should be provided in the MDP. [Greenplan, Inc., Letter, April 6, 2008, Comments #2, #6, and #139, pages 2, 3, and 24]

Response 5.2-7-GP2/6/139: The Executive Summary developed for the FEIS provides a history of the site design and describes the interrelationship between the evolution of the MDP and protection of the natural resources on the site. See also Response 3.17-19-25A.

Comment 5.2-8-HG20: We note that 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 (see Chapter 5, page 152). No explanation is provided on how the market value determinations were made in either the Proposed Action or the Traditional Neighborhood Alternative; or why there is such a significant increase in per unit market values between the Proposed Action and the Traditional Neighborhood Alternative. In the case of the single-family housing units, despite the 70% increase in market value, the average bedroom size is decreasing. [The Hudson Group LLC, Letter, February 14, 2008, Comment #20, pages 1-2]

Response 5.2-8-HG20: The Traditional Neighborhood Alternative includes better amenities than the Proposed Action, partly as a result of comments from the Town Planning Board and its consultants. In addition, as the concept for the development evolved through the planning process, the Applicant was able to secure experienced architects and designers to participate in the development of the resort, which adds considerable value to the project. Market research was used to develop the proposed market values. The market values are substantiated in a report prepared by the Weitzman Group, which is included in Appendix D of this FEIS.

Comment 5.2-9-HG21: The Applicant needs to demonstrate that the prices being proposed for their dwelling types, in the context of the project's services and

amenities and location, is competitive with other similar new and proposed upscale type resort projects in the Hudson Valley, Western Connecticut, the Berkshires in western Massachusetts, and the Catskill Mountains area. [The Hudson Group LLC, Letter, February 14, 2008, Comment #21, page 2]

Response 5.2-9-HG21: Please see Response 5.2-8-HG20 and Response 3.17-26-GP126.

Comment 5.2-10-HG22: Under 15 miles away to the northwest, as the crow flies, in the Town of Pine Plains, just east of the Taconic Parkway on Route 199, a larger comparable luxury golf resort/intended second home project (The Carvel Development project) is now also going through the SEQR process. The Hudson Group for this project is a subcontractor to the Pine Plains Planning Board to review the economic and fiscal impacts of the project. In comparing the proposed selling prices for what appears to be comparable types and sizes of residential dwelling units we find that the Silo Ridge Resort Project's are priced anywhere from 67 to 271 percent greater than those for Carvel. Given that these two projects are so close and competitively comparable, it appears that Silo Ridge's prices are substantial too high. (Note: The information for the Carvel Project found in our comparative analysis in this submittal is from Carvel Property Development, Chapter 14 –Community Services and Fiscal Impacts, Revised August 2006. Specific page citations are shown in the main body of this submission. We should also note that upon our review of the first DEIS version of June 2005, we also noted the lack of a market research analysis by the Carvel Applicant. Subsequently, with the revised DEIS submission a market research report was submitted by the Applicant.) [The Hudson Group LLC, Letter, February 14, 2008, Comment #22, page 2]

Response 5.2-10-HG22: Please see Response 5.2-8-HG20 above. The Applicant believes, and the marketing research supports, that the Silo Ridge project and the Carvel project are substantially different in terms of their amenities and design such that the two should not be compared and evaluated as if they are the same.

Comment 5.2-11-HG23: Silo Ridge Housing Unit Pricing By far the most significant component of the fiscal impact analysis is the proposed Silo Ridge housing unit pricing. The Traditional Neighborhood Alternative has the following average unit prices:

60 single family homes	\$ 2,597,500
153 flats	861,918
746 townhouses	1,001,450
300 hotel units	586,744

The 60 single-family housing units are comprised of 31 three bedroom units, 23 four bedroom units, and 6 five bedroom units. The average number of bedrooms for the 60 units is 3.58 bedrooms. The Proposed Action plan called for 41 four bedroom housing units, a slightly higher number of bedrooms on average than is now called for. The average market values proposed for the housing units in the Traditional Neighborhood Alternative is significantly higher than in the Proposed Action (Chapter 5, page 152) as shown below:

	<u>Proposed Action</u>	<u>Traditional Neighborhood</u>	<u>Difference</u>	<u>Percent Difference</u>
Single family home	\$ 1,520,280	\$ 2,597,500	\$ 1,077,220	70.86
Townhouses – 3 bedroom	780,000	1,004,450	221,450	28.39
Hotel units	370,000	586,744	216,744	58.58

No explanation is provided on how the market value determinations were made in either the Proposed Action or the Traditional Neighborhood Alternative; or why there is such a significant increase in per unit market values between the Proposed Action and the Traditional Neighborhood Alternative. In the case of the single-family housing units despite the 70% increase in market value the average bedroom size is decreasing. As will be shown later housing prices in the Amenia area are currently decreasing, not increasing. It is absolutely critical that documentation and analysis be provided to support and justify the proposed average market values. A meaningful fiscal impact analysis is totally related to and dependent on the estimated market values per housing unit. [The Hudson Group LLC, Letter, February 14, 2008, Comment #23, pages 2-3]

Response 5.2-11-HG23: Please see the marketing study in Appendix D, which substantiates the market values of the proposed residential units. Also see Response m-11-29A and Response 5.2-8-HG20.

Comment 5.2-12-HG24: Comparative Housing Values in Other Proposed Nearby Developments: Within close proximity to Amenia major housing developments are proposed in both the Town of Pine Plains, with a small part in the Town of Milan, and for the Village of Millbrook. The proposed average housing unit prices for those developments are contrasted with that of the Silo Ridge Development.

	<u>Pine Plains</u>	<u>Silo Ridge</u>	<u>% Difference</u>
Single family homes	\$ 700,000-1,000,000	\$ 2,597,500	159.8-271.1
Attached residences	375,000- 600,000	1,001,450	66.9-167.1

	<u>Millbrook</u>	<u>Silo Ridge</u>	<u>% Difference</u>
Single family homes	\$ 799,000	\$ 2,597,500	325.1
Townhouses – 3 bedrooms	599,000	1,001,450	67.2

SOURCES: Pine Plains – Carvel Property Development: Pine Plains and Milan, Dutchess County, New York, Chapter 14- Community Services and fiscal Impacts, June 2005 / Revised August 2006 / draft #2, Table 14-64, page 14—129, Millbrook –Fiscal Impact Analysis for the Proposed Redevelopment of the BENNETT COLLEGE, Millbrook, New York, November 2006 (Revised March 2007), Table 10, page17.

Both of these proposed developments are significant, with the Pine Plains one contemplating 951 housing units and the Millbrook one 91 housing units. Both of these developments will presumably be competing for the same prospective second home, empty nest market as that of Silo Ridge. Again, documentation and justification through a valid market study is needed to substantiate the ability of the Silo Ridge project to market its housing units and at the market prices proposed. [The Hudson Group LLC, Letter, February 14, 2008, Comment #24, pages 3-4]

Response 5.2-12-HG24: Please see Responses m-11-29A, 5.2-8-HG20, 5.2-10-HG22, and 3.17-26-GP126 and the marketing study in Appendix D.

Comment 5.2-12a-HG25: Local Residential Housing Market Values. The proposed housing unit market values in the Silo Ridge development bear no relationship to the market values of existing housing within the Amenia area. An analysis has been done of all residential sales from January 1, 2004 to August 31, 2007 in the town of Amenia, the Webutuck School District, and the Dover School District. The data for this analysis comes from the sales web site of the State Office of Real Property Services. This data contains no sales of condominiums in the Amenia area, which indicates that at the present time this is not a common form of residential ownership. A profile of the number of residential sales is as follows:

Town of Amenia

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Single family residences	32	31	26	14
Two family residences	4	3	2	2
Three family residences	2	1	0	0
Rural residence with acreage	1	4	2	1
Season residences	0	0	1	0
Mobile homes	0	1	2	1
Multiple residences	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>
	41	42	35	18

Webutuck School District

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Single family residences	63	52	48	29
Two family residences	5	3	3	4
Three family residences	2	1	0	0
Rural residence with acreage	4	8	4	1
Season residences	1	1	1	1
Mobile homes	0	1	2	3
Multiple residences	<u>4</u>	<u>3</u>	<u>1</u>	<u>2</u>
	79	69	59	40

Dover School District

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Single family residences	120	97	76	28
Two family residences	5	7	3	3
Three family residences	1	0	0	0
Rural residence with acreage	5	1	4	2
Season residences	0	0	2	0
Mobile homes	8	8	1	1
Multiple residences	<u>4</u>	<u>2</u>	<u>5</u>	<u>2</u>
	143	115	91	36

What stands out in the sales occurring in the 2004-2006 time period and for the first eight months of 2007 is the steady decline in the number of residential sales. This trend is evident long before the advent of the housing crisis resulting from the sub-prime mortgage problem. It is not immediately clear why this reduction in housing sales volume is occurring, but it could be, in part, related to reduced demand. [The Hudson Group LLC, Letter, February 14, 2008, Comment #25, pages 4-5]

Response 5.2-12a-HG25: The proposed resort development will likely be capturing a different market than that of a typical single-family home buyer in Amenia. The values of such typical single-family homes in Amenia are not an accurate measure of the reasonableness of the project's market values, since, considering the level of amenities and quality of design that is proposed, the residential units within the development represent a considerably different product. The project is not intended to consist of primary residences, but rather second homes and vacation homes. The marketing study in Appendix D supports the development of this type of project in its chosen location. Also see Response m-11-29A.

Comment 5.2-13-HG26: While the sales of various categories of residential housing are shown, the focus of the rest of the analysis will be on the sales of single-family homes with 10 acres or less. The sales ranges and median sales prices have been determined for each of the years in the time period examined.

Town of Amenia

	<u># of Sales</u>	<u>Sales Price Range</u>	<u>Median</u>
2004	30	\$ 54,500 - 401,500	\$ 213,000
2005	30	60,000 - 997,000	250,000
2006	23	180,000 - 520,000	270,000
2007	13	129,000 - 510,000	235,000

Webutuck School District

	<u># of Sales</u>	<u>Sales Price Range</u>	<u>Median</u>
2004	60	\$ 54,500 - 420,000	\$ 220,500
2005	50	60,000 - 997,000	225,000
2006	44	66,000 - 865,000	288,360
2007	28	110,000 - 685,000	232,500

Dover School District

	<u># of Sales</u>	<u>Sales Price Range</u>	<u>Median</u>
2004	119	\$ 40,000 - 465,000	\$ 270,000
2005	50	40,000 - 575,000	296,310
2006	44	95,000 - 565,000	298,000
2007	28	54,000 - 465,000	285,000

The range in sales prices is quite wide, which is to be expected. The number of homes with sales prices over \$500,000 were relatively few. During the period analyzed, there were six such sales in the town of Amenia (6.3% of its total); nine sales in the Webutuck School District (4.9% of its total); and seven in the Dover School District (2.2% of its total). [The Hudson Group LLC, Letter, February 14, 2008, Comment #26, pages 5-6]

Response 5.2-13-HG26: Please see Response 5.2-12a-HG25. The above discussion does not appear to take into account the fact that people could be purchasing land and constructing million dollar houses on vacant property. Please refer to the marketing study in Appendix D. Also see Response m-11-29A.

Comment 5.2-14-HG27: The most meaningful data are the median sales prices. In the period from 2004 to 2006 median sales prices rose significantly, but at varying rates in the town of Amenia and the Webutuck and Dover School Districts. However, in every instance the median sales price in 2007 is less than in 2006. This occurs at a time when the number of sales is declining. This indicates that there is not a strong housing market in the Amenia area at the current time. [The Hudson Group LLC, Letter, February 14, 2008, Comment #27, page 6]

Response 5.2-14-HG27: Please see Response 5.2-12a-HG25.

Comment 5.2-15-HG28: Also quite significant is the fact that the median selling prices were far below the proposed average selling price of either the townhouses or the single-family homes in the Silo Ridge project. In fact, even the sales at the high end of the sales ranges did not approach the average proposed market prices of the Silo Ridge housing units. To be successful 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 Hudson Group LLC, Letter, February 14, 2008, Comment #28, page 6]

Response 5.2-15-HG28: Please see Response 5.2-12a-HG25 above. The project is aimed at people who desire a second home or vacation home in a resort destination, not those who are looking for a primary home. Please refer to the marketing study in Appendix D. Also see Response m-11-29A.

Comment 5.2-16-HG29: The real estate market for residential housing in the Amenia area has been very much a local Dutchess County market. The former addresses of the purchasers of residential properties in the Amenia area have been examined and profiles developed. The buyers' addresses were broken down to within Dutchess County; outside Dutchess County, but within New York State; and out of state.

Town of Amenia

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Within Dutchess County	25	27	22	13
Out of County – Within New York State	5	2	1	0
Out of State	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>
	30	30	23	13

Webutuck School District

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Within Dutchess County	53	48	42	25
Out of County – Within New York State	5	0	2	1
Out of State	<u>2</u>	<u>2</u>	<u>0</u>	<u>2</u>
	60	50	44	28

Dover School District

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Within Dutchess County	113	88	70	23
Out of County – Within New York State	5	7	6	3
Out of State	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>
	119	96	76	27

Over 90% of housing purchases in the Amenia area are from within Dutchess County: town of Amenia – 90.6%; Webutuck School District – 92.3%; and Dover School District – 92.5%. Of the residential sales outside of Dutchess County, but within New York State, most of them are from Putnam County, Westchester County, and New York City. Only 1.7% of all single-family home buyers came from out of state. The Silo Ridge development to be successful will have to have a very different sales pattern than currently exists in the residential market of the Amenia area. [The Hudson Group LLC, Letter, February 14, 2008, Comment #29, pages 6-7]

Response 5.2-16-HG29: Please see the marketing study in Appendix D. See also Response 5.2-13-HG26. The target market for the Silo Ridge project includes the regional area consisting of Dutchess County, Litchfield County in western Connecticut, and Berkshire County in western Massachusetts, as well as the New York City area, which includes Westchester County, Manhattan, and the Bergen-Passaic MSA. Also see Response m-11-29A.

Comment 5.2-17-HG30: Demographics DEIS Chapters 5.0. We have reviewed the estimates of maximum population and public school children generated by the Traditional Neighborhood Alternative as calculated in Chapter 5.0 Alternatives, tables 5-19 and 5-20, on page 5-155. This is the physical facility design preferred by

the Applicant. We derive different population and public school children estimates than shown in the Tables 5-19 and 5-20:

	<u>DEIS Tables 5-19/5-20</u>	<u>THG Estimate*</u>
Total Population	901	913
Total Public School Children	91	103

*See Appendix A

The differences are small for total population, but could be more significant for public school children. The significance is tied to the determination of the added costs to the School District, the impact on State Aid, and the adequacy of the School District's physical facilities. The differences in our estimates and those in the DEIS, above, reflect the DEIS use of New York statewide Residential Demographic Multipliers for Occupants of New Housing (see Table 5-19/5-20) and our use of unpublished 2000 Census based data for Dutchess and Putnam counties. Our data was obtained via a secondary source with the original primary source being the US Census Bureau's Public Use Microdata Survey (PUMS -see Appendix A). [The Hudson Group LLC, Letter, February 14, 2008, Comment #30, page 7]

Response 5.2-17-HG30: The demographic and school projections used in the revised fiscal impact analysis, which differ from the ones presented in the DEIS, were arrived at through cooperation with the Planning Board and its consultants.

Comment 5.2-18-HG34: Background for Fiscal Impact Analysis. The fiscal impact analysis provided by the Applicant takes a conservative approach to revenue and expenditure projections and operates from a worst case scenario. This approach is appreciated and is both useful and desirable in attempting to determine probable fiscal impacts of a major development project on a community. The stated intent is to market the housing units as a second-home, resort style community. While this may be the goal, it is appropriate to do an analysis, as has been done, on the assumption that the housing units may, in fact, be primary housing units. Certainly, given the proximity to the New York City metropolitan area and the continued residential development of southern and central Dutchess County, this is a possibility. [The Hudson Group LLC, Letter, February 14, 2008, Comment #34, page 9]

Response 5.2-18-HG34: Comment noted.

Comment 5.2-19-HG35: The biggest issue in conducting the fiscal review analysis is the estimated market value of the housing units. As discussed earlier, the housing unit prices seem extremely high given the absence of a market study and the existing housing market environment in the Amenia area. Nevertheless, for the

purposes of this fiscal analysis we have accepted the estimated market values as provided in the Traditional Neighborhood Alternative. [The Hudson Group LLC, Letter, February 14, 2008, Comment #35, page 9]

Response 5.2-19-HG35: Comment noted. The marketing study in Appendix D substantiates the proposed market values for the project. The Applicant has also presented a sensitivity analysis assuming 25% and 50% reductions in residential market values to illustrate the impacts if the project's residences are not able to be sold for the prices identified. Please see Response 3.17-27-GP127 and Appendix G. Also see Response m-11-29A.

Comment 5.2-20-HG36: The Traditional Neighborhood Alternative is estimated to generate a maximum of 901 residents and 91 public school-aged children. As discussed earlier, we believe these estimates to be low and have estimated 913 residents and 121 school-aged children. Of the 121 school-aged children it is estimated that 15% would attend private or parochial schools, with 103 attending public schools. This is only a small increase in the number of residents, but an 11.6% increase in the number of public school pupils. In the fiscal analysis that follows we use the 913 residents and the 103 public school students. [The Hudson Group LLC, Letter, February 14, 2008, Comment #36, page 9]

Response 5.2-20-HG36: Please see Response 5.2-17-HG30.

Comment 5.2-21-HG37: Assessed Value Estimates. The estimated market value data has been converted by the Applicant into assessed value data based on 2005-2006 information. The level of assessing (assessed value as a percent of market value) as determined by the state equalization rate for 2005 was 67. For 2006 the equalization rate declined to 57. However, since the analysis was on September 2005 and January 2006 tax levies the equalization rate of 67 is appropriate. [The Hudson Group LLC, Letter, February 14, 2008, Comment #37, pages 9-10]

Response 5.2-21-HG37: Comment noted. The fiscal impact analysis has been updated and is included in Appendix H.

Comment 5.2-22-HG38: Assessed Value Estimates. Of greatest significance is the fact that the flats, townhouses, and hotel units will all be in the condominium form of ownership. New York State through its real property tax policy has a strong bias in favor of condominium ownership over fee simple ownership. This bias as carried out through Section 581 of the Real Property Tax Law has the effect of dramatically reducing condominium assessments and shifting property tax burden to other property. [The Hudson Group LLC, Letter, February 14, 2008, Comment #38, page 10]

Response 5.2-22-HG38: Comment noted. The fiscal impact analysis has been updated and is included in Appendix H.

Comment 5.2-23-HG39: Assessed Value Estimates. The total estimated market value is \$655,729,000, of which \$454,108,550 will be in the condominium form of ownership (69.3% of the total). The total estimated assessed value is \$287,212,000, of which \$135,085,000 constitutes the single-family homes and commercial uses (47.0% of the total) and \$152,127,000 is in a condominium form of ownership (53.0%). To determine the assessed values of the single-family homes and commercial portions of the project a factor of 67.0 has been applied and for the flats, townhouses, and hotel units a factor of 33.5. [The Hudson Group LLC, Letter, February 14, 2008, Comment #39, page 10]

Response 5.2-23-HG39: No response required. The fiscal impact analysis has been updated and is included in Appendix H.

Comment 5.2-24-HG40: Assessed Value Estimates. The assumption is made that properties in a condominium form of ownership will be assessed at 50% less than properties with a fee simple form of ownership. While this relationship and the valuation of condominium under Section 581 will have to be determined by the assessor, it is not unreasonable to project a 50% reduction in estimating condominium assessed values. [The Hudson Group LLC, Letter, February 14, 2008, Comment #40, page 10]

Response 5.2-24-HG40: No response required.

Comment 5.2-25-HG41: Revenue Estimates. Table 5-17, Estimated Annual Tax Revenues Generated by Alternative, estimates that the increase in property tax revenues will be \$ 7,818,034. The tax rates are based on the September 2005 school levy and the January 2006 County and Town levies. This table properly recognizes that the Silo Ridge property is currently paying property taxes and makes a reduction from the projected property taxes to arrive at the estimated increase. A tax rate of \$19.37 was used for the Webutuck School District. The tax rate for September 2006, a year later, was \$21.18. Given the estimated market values of the proposed housing units under the Traditional Neighborhood Alternative, the revenues estimates have been correctly determined. [The Hudson Group LLC, Letter, February 14, 2008, Comment #41, page 10]

Response 5.2-25-HG41: No response required.

Comment 5.2-26-HG42: Per Capita Methodology. To determine estimated expenditure impacts, the Per Capita Method and Proportional Valuation Method procedures are used in the Applicant's fiscal impact analysis. These methods have been developed by Robert W. Burchell and David Listoken in The Fiscal Impact

Handbook (1983), and The New Practitioner's Guide to Fiscal Impact Analysis (1985), which is cited in Chapter 3. While useful guides, the methods are premised on several assumptions that are not accurate for the Silo Ridge project. The methods assume that the composition of the Silo Ridge housing units will be similar to that of the current population and will have the same cost and service demands. This seems unlikely. Clearly, the probable population will not be similar to the existing population. Another premise is that the distribution among the various municipal services will remain unchanged. This may or may not be true. In Chapter 3-10 and supporting materials there is a limited discussion of expected service requirements and demands of the new Silo Ridge population for certain public service functions (see below). The Burchell approach can only be used with confidence for small-scale development projects, where the population and income levels will be quite similar to those of the existing population. A preferred approach in Amenia would be a function-by-function analysis of the expected impact of the Silo Ridge project on the governmental costs of the town of Amenia. For some important functions – police, fire and emergency services there is a discussion of the service providers of these functions but no commentary on the fiscal implications other than to indicate that increased property taxes will be available if there are additional costs – see Chapter 3.10. No functional analysis was done for other major municipal government functions such as highways and transportation, general government (town clerk's office, assessor, planning, code enforcement, building inspection, town court, etc.), public safety, culture-recreation, utilities, and other community services. In some functions the Silo Ridge project may have minimal impact, in others an impact consistent with the increased population, and in other functions the project could create a tipping point leading to significant additional expenditures. [The Hudson Group LLC, Letter, February 14, 2008, Comment #42, pages 10-11]

Response 5.2-26-HG42: Please see Response 3.17-4-PHT and Appendix H, which presents a revised fiscal impact analysis.

Comment 5.2-27-HG43: We have earlier raised a major question on the DEIS estimates for local property tax revenues to be generated by the Silo Ridge Resort's residential units, because of what we believe are very unrealistically high proposed selling prices. This critical revenue issue needs to be addressed in concert with additional Applicant evaluation of the potential impact on town government functions and services. [The Hudson Group LLC, Letter, February 14, 2008, Comment #43, page 11]

Response 5.2-27-HG42: Please see the marketing study in Appendix D, which substantiates the market values used in the fiscal impact analysis for the Traditional Neighborhood Alternative. Also see Response m-11-29A.

Comment 5.2-28-PHT: We saw a big development in the '40s, and it was Wassaic State School, and that brought all the jobs here, and now it is dead basically. Now it is dead and it sits up there, and it is scary. And what has it done? It did bring a lot to the Town and that's what really brought a lot of people to the Town. That's what brought my family to the Town, or my mother anyway. She was one of the first people employed there. Now that's not there. So what if this isn't there? What if this happens? I think we really have to look at the enormity of the situation. And I think we have a lot of intelligent people in this community that we ought to listen to. I think we do need to read that and I have read it. I think you ought to speak on the facts. I think if I asked 80 percent of the people here what they know about what really is going to go there -- and that hotel is not really a hotel. It is a hotel-condo, and it is only going to be taxed 50 percent of its value and things like that. You know, people don't know it. If you want a sewer, have a sewer. But this is not a sewer. This is an entire project. [Patty O'Neil, March 5, 2008 Public Hearing Transcript, page 82]

Response 5.2-28-PHT: Please see Response 5.3-13-PHT.

Comment 5.2-29-41MM: What social, economic or fiscal impact, as the case may be, would this increased population have on (a) vehicular traffic? (b) water consumption? (c) wastewater generation? (d) school district operations? (e) law enforcement and fire district expenditures? (f) municipal services? (g) local parking and facilities, such as public parks, libraries, rail trail, athletic fields and public transportation? Other than general conclusions suggesting that there will be a surplus (See e.g., DEIS Table 5-17), there is no discussion or analysis of necessary or appropriate capital expenditures ("capex") or budgetary increases that the Town, school district, law enforcement, fire district or others may have to incur in order to accommodate the two-fold increase in the population of the hamlet (either on a worst-case or seasonal basis). As addressed above, this surplus depends on the successful sale of units at prices that may not be competitive in the current economic market, or in the current location or in comparison with other developments located in the region. [Bart Wu, Letter, March 25, 2008, Comment MM, page 9]

Response 5.2-29-41MM: The DEIS and this FEIS fully evaluate the potential impacts of the project with respect to the above issues (refer to Table ES-6 in Section 1.0 of this FEIS for a summary of environmental impacts and mitigation measures). Please see Response 3.17-4-PHT and Appendix H for information on potential budgetary increases to the Town. The Town estimates an overall 15% potential increase in its budget, which the project offsets by the annual tax revenue that it is forecast to generate.

Comment 5.2-30-41NN: What additional manpower does the Town need to provide municipal services related to a residential population that increases from 25% of the Town to 100% of the hamlet? How much would it cost to increase the manpower at

Town Hall by 25% to 100%? If the Town Hall cannot accommodate the increased personnel, how much would it cost for an enlarged or new Town Hall? [Bart Wu, Letter, March 25, 2008, Comment NN, page 10]

Response 5.2-30-41NN: Please see Response 5.2-29-41MM.

Comment 5.2-31-41XX: Assuming that the sales prices of the units is substantially below the states market values (or that less than all of the units are sold) how much of the capex [capital expenditure] costs will the Town have to incur that will not be covered by the additional tax revenues from the Project? [Bart Wu, Letter, March 25, 2008, Comment XX, page 11]

Response 5.2-31-41XX: Please see Appendix D, which substantiates the market values for the project. Also see Appendix H, which presents an updated fiscal impact analysis of the project including a sensitivity assessment for residential market values.

Comment 5.2-32-41YY: Many of the foregoing questions relate to capex [capital expenditure] and budgetary costs that are typically absorbed by special payments and fund reserves financed by the sponsors of such developments. In any event, there is no discussion presented in the DEIS related to any of the capex or budgetary issues, and absent any commitment by the Sponsor, the Town can expect to incur these costs regardless whether there are sufficient increased tax revenues from the Project to pay these expenses [emphasis added]. The issue may be best summarized Hudson Group's Report which it concludes that the Project, "*could create the tipping point leading to significant additional expenditures.*" Report at p. 11. [Bart Wu, Letter, March 25, 2008, Comment YY, page 11]

Response 5.2-32-41YY: The project is proposed as a vacation and second home community, not a primary residential community. Therefore, the population is not expected to as much as in services as permanent, full-time Town residents. Further, as described in Section 3.17 of this FEIS, the Applicant received the Town Supervisor's input with respect to the project's possible impacts on the Town budget.