

### 3.17 Fiscal Resources

This section presents an analysis of the proposed project's potential fiscal impacts. It describes the existing revenues and taxes currently generated from the site, as well as any existing municipal costs related to the site for all applicable jurisdictions, including the Town of Amenia, Dutchess County, the Webutuck Central School District (WCSD), and any special districts. Also included is a discussion of projected costs and revenues associated with the proposed Silo Ridge Resort Community utilizing methodology identified in the *Development Impact Assessment Handbook*<sup>73</sup> and in *The Fiscal Impact Handbook*,<sup>74</sup> for each taxing jurisdiction. Appendix 9.10, "Fiscal Resources," contains supporting documentation for the analysis presented herein.

The proposed project will be built and heavily marketed as a second-home, resort style community. As such, the majority of homeowners are expected to be part-time residents who occupy their homes on weekends or for short vacation stays; however, to be conservative and evaluate a worst-case scenario, this analysis assumes that the residential units are occupied on a year-round basis and that all units are owned in the condominium form of ownership. It should be noted that at the time of adoption of the Final Scoping Document in November 2005, condominium ownership was only envisioned for the proposed townhouse units, not for the single-family homes or hotel units. However, since that time the Applicant has decided to pursue the condominium form of ownership for all proposed residential units, as well as the hotel units, and the following fiscal analysis is therefore based on condominium ownership.<sup>75</sup>

#### 3.17.1 Existing Conditions

The 670±-acre project site is currently developed with the Silo Ridge Country Club, a 170±-acre 18-hole golf course with a clubhouse and pavilion. In 2006, the existing site generated a total of approximately \$160,715 in annual tax revenue, which includes approximately \$48,650 to municipal entities and \$112,060 to the Webutuck Central School District.<sup>76</sup>

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<sup>73</sup> Burchell, Robert W., Listoken, David et al. *Development Impact Assessment Handbook*. Washington, D.C.: ULI – The Urban Land Institute, 1994.

<sup>74</sup> Burchell, Robert W. and Listoken, David. *The Fiscal Impact Handbook*. The Center for Urban Policy Research, New Brunswick, New Jersey. 1983.

<sup>75</sup> The fiscal analysis of the Traditional Neighborhood Alternative (see Section 5.2) assumes fee-simple ownership, not condominium ownership, for the single family units and villas.

<sup>76</sup> Tax revenue calculations are based on the current assessed value of the project site and the 2006 property tax rates obtained from the Dutchess County Real Property Tax Service Agency.

**Table 3.17-1 Existing Revenues Generated by the Project Site**

<b>Taxing District</b>	<b>2006 Property Tax Rate per \$1,000 Assessed Value</b>	<b>Current Taxes</b>
Dutchess County	\$3.83	\$22,158
Town of Amenia	\$3.92	\$22,678
Amenia Fire District	\$0.66	\$3,818
Webutuck Central School District	\$19.37	\$112,061
<b>TOTAL</b>		<b>\$160,715</b>
Assessed value = \$5,785,300 (Based on tax data obtained from Dutchess County Office of Real Property Tax Office).		

The project site is privately owned and maintained and therefore has not required municipal services aside from the potential for emergency police, fire, or medical services. The Silo Ride Country Club maintains all on-site roads, stormwater management facilities, and drainage facilities, and no residents or school children reside within the project area. The project site is not currently served by public water or sewer.

### 3.17.2 Potential Impacts

The projected annual costs and tax revenues associated with the proposed development are analyzed below, based on methodology identified in the *Development Impact Assessment Handbook* and in *The Fiscal Impact Handbook*, for each taxing jurisdiction. First, the estimated number of residents, school children, and amount of commercial space to be generated by the project is determined. Then, the approximate annual public service cost per resident, school child, and for commercial space is calculated, as are the estimated annual tax revenues to be generated by the project. Finally, a comparison is made between estimated public service costs and estimated tax revenues to determine whether the project will result in an annual deficit or surplus to relevant taxing districts.

The proposed project will consist of several components, including: improvements to the existing golf course; renovation of the existing clubhouse; construction of a resort hotel with hotel units, restaurant space, retail space, and a spa and fitness center; and development of single-family and townhome units. As stated previously, the proposed project is intended to be a luxury resort community with high-end amenities that are expected to attract second-home owners looking for a vacation or getaway destination. Therefore, it is highly unlikely that the residential units will serve as the primary residences for most future owners and consequently, the permanent resident population of the project is expected to be very small. It is possible that a portion of the units may convert to primary residences when owners retire, but in this case the occupants would be unlikely to have children living with them. Nonetheless, this analysis treats all of the homes as year-round occupied

units for the purposes of evaluating the potential fiscal impacts of the proposed project.

The hotel will be operated as a condominium hotel. Each fully furnished unit will contain a kitchenette rather than a full kitchen and will be designed and marketed for sale as a hotel unit. In addition, it is anticipated that restrictions will be placed on the length of continuous stay for roughly half of the units in the hotel to ensure that the hotel operator has a continuous supply of units available. Each owner will also own an undivided interest in common elements of the hotel and will pay common charges related to their use and maintenance. Hotel unit owners will also pay a common Hotel Charge associated with the costs of operating the hotel.

The proposed single-family homes and townhomes will also be offered for sale as condominiums and will pay common charges for maintenance and use of common facilities, but will not be responsible for any charges associated with operation of the hotel.

#### *Assessed Value Estimates*

Both the hotel units and homes will be assessed based on the proposed condominium form of ownership and the assessment methodology for condos per Section 581 of the New York State Real Property Tax Law. This section states that “real property owned or leased by a cooperative corporation or on a condominium basis shall be assessed... at a sum not exceeding the assessment which would be placed upon such parcel were the parcel not owned or leased by a cooperative corporation or on a condominium basis.” Per discussions with the New York State Office of Real Property Services, this is typically interpreted to mean that condominium units should be assessed as rental units and that the sum of all individual assessments may not exceed the value of the entire parcel as if it were assessed as a single, rent-producing unit. Throughout New York State, this has the general effect of reducing the assessed value of condominium units by approximately 35 to 50%; for the purposes of the analysis provided herein, a 50% reduction in assessed value of each proposed condominium unit was used as a proxy for the actual assessment methodology. This reduction represents a conservative valuation of the unit and consequently results in a conservative estimation of future tax revenues generated by the proposed project. Therefore, based on this approach, the assessed values of the condominium units were determined by applying the Town’s level of assessment (0.67) to the market values, then reducing the resultant numbers by 50% to account for the condominium form of ownership.

The assessed value of the remaining project components, including the golf course, clubhouse, and other commercial amenities within the hotel, is based on the projected construction costs for each component. The Town’s level of assessment, 0.67, was applied to these values to arrive at the estimated assessed values. It

should be noted, however, that the assessed value of each project component will ultimately be determined by the Town Assessor.

Table 3.17-2 presents the market and assessed values for each project component, taking into account ownership of the homes and hotel units as condominiums.

**Table 3.17-2 Estimated Project Market and Assessed Values**

Use	Units	Market Value Per Unit	Total Estimated Market Value	Total Estimated Assessed Value
<b>Homes</b>				
Single Family	41	\$1,520,280	\$62,331,480	\$20,881,000
Townhouses	328	\$780,000	\$255,840,000	\$85,706,400
<b>Homes Total</b>	<b>369</b>	<b>N/A</b>	<b>\$318,171,480</b>	<b>\$106,587,400</b>
<b>Hotel Units</b>				
	<b>320</b>	<b>\$370,000</b>	<b>\$118,400,000</b>	<b>\$39,664,000</b>
<b>Commercial Uses</b>				
Golf/Clubhouse Facilities	NA	NA	\$4,000,000	\$2,680,000
Hotel - Commercial Facilities	NA	NA	\$41,840,000	\$28,032,700
Golf Course	NA	NA	\$6,000,000	\$4,020,000
<b>Total Commercial Uses</b>	<b>NA</b>	<b>NA</b>	<b>\$51,840,000</b>	<b>\$34,732,700</b>
<b>PROJECT TOTAL</b>			<b>\$488,411,480</b>	<b>\$180,984,100</b>

*Project-Generated Municipal and School District Costs*

The estimated costs of the proposed project to local taxing jurisdictions, including the Town of Amenia, Amenia Fire District, and Webutuck Central School District, were determined using both the Per Capita Method and the Proportional Valuation Method. The Per Capita Method is the classic cost averaging approach for projecting the impact of population change on local municipal and school district costs and revenues and is the most widely accepted fiscal impact procedure available for determining costs of residential development.<sup>77</sup> The Proportional Valuation Method is a widely used average costing approach used to project the impact of non-residential development on local costs.<sup>78</sup> Both of these methods are described in more detail in the next section.

*Number of Residents and School Children*

The proposed project will contain townhomes and single-family homes having an average of three and four bedrooms, respectively. Demographic multipliers for New York State (June 2006) were used to estimate the maximum project-generated

<sup>77</sup> *The New Practitioner's Guide to Fiscal Impact Analysis*, Rutgers University Center for Urban Policy Research, 1985.

<sup>78</sup> Burchell, Robert W. and Listoken, David. *The Fiscal Impact Handbook*. The Center for Urban Policy Research, New Brunswick, New Jersey. 1983.

population, as shown in Tables 3.17-3 and 3.17-4 below. Based on the standard multipliers, approximately 1,079 new residents will be introduced into the Town of Amenia, including approximately 128 public school-aged children. Once again, however, it should be stressed that the proposed project has been designed and will be heavily marketed as a second-home resort-style community; therefore, these projections are considered to be maximums that are highly unlikely to occur.

**Table 3.17-3 Maximum Estimated Population Generated by the Project**

Housing Type	Maximum Number of Homes Proposed	Demographic Multiplier	Estimated Population at Full Buildout
4 Bedroom Single-family	41	3.67	151
3 Bedroom Townhouse	328	2.83	928
<b>TOTAL</b>			<b>1,079</b>
Source: Burchell, Robert W., Listoken, David, et al. Rutgers University Center for Urban Policy Research, Residential Demographic Multipliers - Estimates of Occupants of New Housing (New York State), June 2006.			

**Table 3.17-4 Maximum Estimated Number of Public School Children Generated by the Project**

Housing Type	Maximum Number of Homes Proposed	Demographic Multiplier	Estimated Number of Public School Children at Full Build Out
4 Bedroom Single-family	41	0.87	36
3 Bedroom Townhouse	328	0.28	92
<b>TOTAL</b>			<b>128</b>
Source: Burchell, Robert W., Listoken, David, et al. Rutgers University Center for Urban Policy Research, Residential Demographic Multipliers - Estimates of Occupants of New Housing (New York State), June 2006. [Multipliers for public school-aged children were used.]			

*Estimated Annual Municipal Service Costs per Resident and School Child*

The public service cost to the Town and to the Webutuck Central School District for each additional resident and student is estimated using the *Per Capita Method*, as outlined in Table 3.17-5, “Determination of Fiscal Impact Cost Parameters – Residential.” The methodology and the results of the table are discussed below.

**Table 3.17-5 Determination of Fiscal Impact Cost Parameters - Residential**

<i>2006 Town of Amenia Municipal Expenditures</i>		
1	General Fund (includes police, public safety, parks & recreation)	\$1,306,387
2	Highway	\$712,890
3	Water District	\$129,599
4	Fire	\$248,550
5	Lighting	\$22,000
6	Total Municipal Expenditures	\$2,419,426
<i>Taxable Parcels</i>		
6	Total Parcels	1,865
7	Residential Parcels	1,774
8	Residential Parcel Percentage	95%
<i>Assessed Value</i>		
9	Total Assessed Value	\$307,625,525
10	Residential Parcel Assessed Value	\$282,521,741
11	Residential Value Percentage	92%
<i>Expenditure Parameters</i>		
12	Estimated Share of Residential-Associated Expenditures (average of row 8 and row 11)	94%
13	Estimated Municipal Residential-Associated Expenditures (row 6 multiplied by row 12)	\$2,274,260
14	Total Local Population	4,048
15	<b>Municipal Expenditure per Capita</b>	<b>\$562</b>
16	Total School Expenditures (2003 - 2004)	\$17,133,451
17	Property Tax Levy for General Fund	\$9,646,919
18	Total School Population	901
19	<b>School Cost per Pupil to be Raised by Property Taxes</b>	<b>\$10,707</b>
Sources: Town of Amenia 2006 Proposed Budget; Dutchess County Real Property Tax Service 2006 County, Town, School, and Village Tax Rates; New York State Office of Real Property Services, Municipal Equalization Rates; Webutuck Central School District 2006 Adopted Budget; and <a href="http://ameniany.com">www.http://ameniany.com</a> .		

According to the Per Capita Method, the residential share of all municipal service costs is estimated by dividing the residential property value and number of residential parcels by the Town's total assessed property value and total number of parcels, respectively. This calculation provides the residential percentage of the Town's total property value and the residential percentage of the Town's total parcels. The two results are averaged, and the combined value is applied to the total municipal costs to derive the estimated residential associated share, which is then

divided by the Village’s population to yield a per capita average cost. Based on this analysis, it is estimated that the Town’s annual per capita cost of services is \$562.

The Webutuck Central School District budget totaled approximately \$17,133,451 for the 2005 / 2006 School Year, and as noted in Table 3.17-5, the current School District enrollment is approximately 901 students. Thus, the per-student cost based on the total budget is \$19,016. However, as approximately 23% (\$3,879,660) of the School District’s budget is met through NYS revenue sharing (State aid) and approximately 56% (\$9,646,919) is raised through property tax revenues, the amount of property taxes that must be raised to cover the current cost of each student is approximately \$10,707 ( $\$9,646,919 \div 901 \text{ students} = \$10,707 \text{ per student}$ ). The remainder of the District’s revenue is accrued through miscellaneous sources, including building aid, interest and earnings, interfund revenue, and textbook aid. Therefore, provided that these proportions remain constant, the amount of property tax necessary to cover the cost of each student in the Webutuck School District is \$10,707.

Table 3.17-6 shows the total cost to the Town and School District to provide services for the maximum number of residents and children from the proposed project. Using the cost to the Town of \$562 per resident, the maximum of 1,079 residents of the proposed project would cost the Town a total of \$606,235 annually. As previously mentioned, the proposed project is expected to introduce a maximum of approximately 128 students to the Webutuck Central School District. Based on the per-student figure calculated above, the cost of educating these additional students will require the School District to receive an additional \$1,365,250 in property tax revenue to meet this cost.

**Table 3.17-6 Estimated Annual Project-Generated Residential Public Service Cost**

Project-Generated Population		Cost Per Person		Total Project-Generated Cost	
<i>People</i>	<i>Pupils</i>	<i>People</i>	<i>Pupils*</i>	<i>People</i>	<i>Pupils</i>
1,079	128	\$562	\$10,707	\$606,235	\$1,365,250

\*Cost per Pupil to be Raised by Property Taxes.

*Estimated Annual Municipal Service Costs - Commercial*

The Proportional Valuation Method was used to calculate the municipal costs of the commercial portion of the Proposed Action. This technique assumes that the municipal costs increase with the intensity of land use, and that a change in property value is a reasonable substitute for change in intensity of use. The following information in Table 3.17-7 is used to complete the computations.

**Table 3.17-7 Estimated Annual Project-Generated Public Service Cost - Commercial**

1. Municipal annual operating expenditures	\$2,419,426
2. Total real property (assessed) value	\$307,625,525
3. Total number of land parcels	1,865
4. Total nonresidential equalized real property value	\$25,103,784
5. Total number of nonresidential land parcels	91
6. Proportion of non-residential value to total property value (Row 4 / Row 2)	0.08
7. Average equalized real property value per parcel (2 / 3)	\$164,946
8. Average nonresidential equalized real property value per parcel (4 / 5)	\$275,865
9. Real property value of commercial portions of proposed Silo Ridge Resort Community*	\$170,239,875
10. Proportion of project value to total non-residential property value (Row 9 / Row 4)	6.78
11. Equalized real property value average non-residential parcel to average local parcel (Row 8 / Row 7)	1.67
12. Real property value of facility to average non-residential real property value (Row 9 / Row 8)	617
<p><b>Total existing municipal expenditures attributable to non-residential uses</b> = Total municipal budget multiplied by proportion of the non-residential value to total land value, multiplied by the refinement coefficient: <math>\\$2,419,426 \times .08 \times 1.7 = \\$335,643</math>.</p> <p><b>Municipal costs allocated to the non-residential facility</b> = Total municipal expenditures attributable to non-residential uses multiplied by proportion of proposed facility to local non-residential real property value, multiplied by a refinement coefficient: <math>\\$335,643 \times 6.78 \times .01 = \\$22,761</math>.</p>	
<p>* Includes real property value of hotel units, estimated at \$118,400,000 in Table 3.17-2. Source: Burchell, Robert W. and Listokin, David. <i>The Fiscal Impact Handbook</i>. The Center for Urban Policy Research, New Brunswick, New Jersey. April 1983. Chapter 6, "Proportional Valuation Fiscal Impact Method".</p>	

The *Proportional Valuation Method* employs a two-step process to assign a share of municipal costs to new non-residential development. First, the total municipal expenditures attributable to non-residential land uses are assigned. Then, the anticipated future municipal cost attributable to the proposed project is determined.

In the first step, the total existing municipal expenditures that are attributable to non-residential uses are calculated from total municipal budget (\$2,419,426) multiplied by the proportion of non-residential value to the total land value in the Town (0.08), which is then multiplied by a refinement coefficient. The refinement coefficient is needed because a straight proportional valuation may overstate or understate the municipal costs associated with non-residential development, as service costs do not increase linearly with increasing value. The refinement coefficient is arrived at by calculating the ratio of average non-residential property value to the average property value (1.67). Then, the resultant refinement coefficient is applied. Thus, using the above numbers, the total share of municipal costs attributable to non-residential development in Amenia is \$335,643.



In the next step, the proposed project’s share of future municipal costs is determined. The procedure is similar to that in the first step. The proportion of the proposed project’s value to the total non-residential property value in the Town is determined (6.78), which is again multiplied by a refinement coefficient. This number in turn is multiplied by the share of municipal costs attributable to non-residential development in the Town (\$335,643). The resulting municipal costs attributable to the non-residential portions of the Silo Ridge Resort Community are approximately \$22,760.

Therefore, the total municipal cost associated with both the residential and commercial portions of the Silo Ridge Resort Community is estimated at \$629,000 annually, including costs related to Fire District operation. However, it should be noted that many services typically associated with municipal agencies, such as road and infrastructure maintenance and snow plowing, will be maintained or provided by the Applicant, thus significantly reducing the actual total municipal cost associated with the Silo Ridge Resort Community.

*Estimated Annual Tax Revenues Generated by the Project*

Property tax levies are typically the most significant source of income to public service jurisdictions, and the proposed project will produce long-term economic benefits to the Town and School District with respect to tax revenues from the property. The project site currently has an assessed value of \$5,785,300 and, as shown in Table 3.17-1 above, generates an annual total of \$160,715 in taxes to relevant taxing jurisdictions. As illustrated in Table 3.17-8, upon full buildout, the project will have an estimated assessed value of \$180,984,000± and will generate an annual total of \$5,027,700± to relevant taxing districts.

**Table 3.17-8 Estimated Annual Tax Revenues Generated by the Project**

Taxing District	2006 Property Tax Rate per \$1,000 Assessed Value	Current Taxes	Projected Taxes	Increase in Tax Revenues
Dutchess County	\$3.83	\$22,158	\$693,169	\$671,012
Town of Amenia	\$3.92	\$22,678	\$709,458	\$686,780
Amenia Fire District	\$0.66	\$3,818	\$119,450	\$115,631
Webutuck Central School District	\$19.37	\$112,061	\$3,505,663	\$3,393,602
<b>TOTAL</b>		<b>\$160,715</b>	<b>\$5,027,740</b>	<b>\$4,867,025</b>
2005 assessed value = \$5,785,300. Projected total assessed value upon full build-out = (approx.) \$180,984,000.				

*Cost / Revenue Comparison*

As discussed above, the 1,079 residents of the proposed project would result in a total annual cost to the Town of \$606,235. The estimated municipal cost for the proposed commercial uses is \$22,760 annually. Therefore, the total municipal cost to the Town as a result of the proposed project will be approximately \$629,000.

Table 3.17-9 provides a comparison of the project’s estimated municipal and school costs with its respective property tax revenues. The proposed project will generate approximately \$829,000± in annual tax revenues to relevant Town taxing districts, including the Fire District, and will therefore result in a total net surplus of \$200,000± to the Town annually.

With respect to potential impacts to the Webutuck Central School District, as outlined in Table 3.17-9, the proposed development will generate approximately \$3,505,600± in annual property tax revenue to the School District, while the total cost to the District for the maximum of 128 students is estimated to be \$1,365,250±. Therefore, assuming that the combination of State aid and other revenue sources increase proportionately with the increase in School District enrollment, the proposed project will contribute a surplus of approximately \$2,140,400 annually to the School District.

**Table 3.17-9 Cost/Revenue Comparison**

Project Generated Population		Cost Per Person / Unit		Project Generated Cost			Project Generated Tax Revenue		Project Generated Surplus or Deficit	
				Municipal		School District	Municipal**	School District	Municipal**	School District
People	School Children	Per Person	Per Pupil*	People	Commercial					
1,079	128	\$562	\$10,707	\$606,235	\$22,760	\$1,365,250	\$828,900	\$3,505,660	\$200,000	\$2,140,400

\* Cost per Pupil to be Raised by Property Taxes.  
 \*\* Municipal revenues include taxes paid to Town and Fire District. Surplus includes an estimated \$42,000 to Fire District.<sup>79</sup>

### 3.17.3 Proposed Mitigation Measures

As described above, the Silo Ridge Resort Community is expected to generate an annual surplus in tax revenue of approximately \$200,000 to the Town of Amenia and approximately \$2,140,400 to the Webutuck Central School District.

Based on the above analysis, the proposed project would have a significant positive fiscal impact to Town taxing districts as well as to the Webutuck Central School District. Annual property tax revenues from the project will more than offset the increase in costs it will generate through increased demand for public services. It should also be noted that as a resort/vacation-home community with very few full-time, permanent residents, the proposed project will generate far less demand for public services than would a conventional residential development. Furthermore, all roads and utility systems within the development will be privately maintained, thus eliminating the municipalities’ cost burden associated with maintaining these facilities.

<sup>79</sup> It should be noted that while the Amenia Fire District has a separate tax rate and receives separate revenue from the Town of Amenia, individual project-related costs to the Fire District were not calculated in this analysis. To estimate the surplus to the Fire District, a per capita cost for fire services was first assigned using the total fire district budget (including that for Wassaic Fire District for simplicity) and the total Town population. Then a project cost was determined and a surplus calculated based on projected revenues and the estimated project cost.

The project will also generate sales tax revenues through operation of the golf course, hotel, and retail facilities on-site, include restaurants, the spa, and the golf pro shop. Moreover, the significant number of employment opportunities provided by the project, ranging from hourly positions to management and professional-level positions, will contribute to an increase in household spending in the region. In addition to the revenue generated by the retail and sales components of the project and spending by visitors staying at the resort, this will produce an economic multiplier effect throughout the local and regional economy. In light of these significant fiscal and economic benefits, no adverse impacts would occur and no mitigation measures are necessary.

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