

3.7 Fiscal Analysis

The proposed project is an Active Adult residential community consisting of 320 multi family residential dwellings. The project will including a private road and appurtenances. The residences would be served by public sewer and water. Each unit will have two bedrooms and will vary in size from 1100 to 1300 square feet. The Fiscal Analysis is identical for both the Hemlock Drive Access Plan and the Meola Road Access Alternative.

The proposed project is located on the west side of NYS Route 303, east of the CSX Railroad right-of-way, on the south end of Old Orchard Lane, in the Town of Clarkstown. The 29.6 acre project site has recently been rezoned from LIO and MF-2 to AAR for the purpose of constructing a total of 320 Active Adult residential units. The following tax lots are included in the project proposal, the acreage information is according to the assessment rolls of the Town of Clarkstown.

Tax Lot ID number:

• 35.19-2-15	0.21 acres
• 35.19-2-16	0.21 acres
• 35.19-2-17	0.21 acres
• 35.19-2-18	0.21 acres
• 35.19-2-19	1.50 acres
• 35.19-2-20	6.40 acres
• 44.07-2-10	8.57 acres
• 44.07-2-10.1	3.40 acres
• 44.07-2-10.2	8.88 acres

The Project Sponsor proposes to construct 320 units of multifamily housing in eight three story buildings. The units are proposed as two bedroom units. the units will be market rate "for sale" condominiums restricted to persons 55 an older. The units are projected to sell for approximately \$350,000 for a two bedroom unit.

Demographic multipliers published in the Urban Land Institute's Development Impact Assessment Handbook, indicate 1.8 population would be generated by a two bedroom unit for a senior residential community. Based upon the age restricted nature of this development, and consistent with the GDEIS for the AAR Zoning Amendment, the 1.8 persons per unit multiplier has been used to project the population for Orchard Ridge. By comparison, 2000 U.S. Census Data indicate that the average household size for all housing types in the Town of Clarkstown is 3.90 persons, and the average family size is 3.27 persons.

Based upon the active adult multiplier, approximately 576 persons are projected to reside in the Orchard Ridge development. Due to the active adult age restriction of this project there will be no school age children living at Orchard Ridge.

Current and Projected Assessed Value

As shown above, the project site consists of 9 lots which will be combined to form the project site. Table 3.7-1 shows the assessed value per lot. The current assessed value of the total project site is \$2,206,075. According to a review of the 2010 tax bills for the subject parcels, the total annual property taxes including Town highway taxes, generated by the project site and paid to the Town of Clarkstown are \$57,213. The municipal taxes paid to Rockland County are

\$11,621. Thus, the total municipal taxes paid are \$68,834, while the annual property taxes paid to the school district are \$107,337.

Tax ID Number	Acres	Assessed Value	Existing 2010 Municipal Tax	Existing 2009-2010 School Tax
35.19-2-15	0.2	\$27,500	\$930	\$1,783
35.19-2-16	0.2	\$82,075	\$3,120	\$4,036
35.19-2-17	0.2	\$14,700	\$472	\$686
35.19-2-18	0.2	\$14,700	\$472	\$686
35.19-2-19	1.5	\$105,000	\$3,760	\$4,901
35.19-2-20	6.4	\$539,000	\$16,354	\$25,158
44.07-2-10	8.6	\$599,900	\$18,204	\$28,001
44.07-2-10.1	3.4	\$201,600	\$6,652	\$13,072
44.07-2-10.2	8.9	\$621,600	\$18,870	\$29,014
Total	29.6	\$2,206,075	\$68,834	\$107,337

Source: Town of Clarkstown 2010 Tax Assessor

The Town of Clarkstown has opted to establish two separate property tax rates: a lower tax rate for residential property owners (homestead tax), and a higher rate for all other property owners (non-homestead tax).

As described on the New York State Office of Real Property Services (NYSRPS) website, certain municipalities have assessed residential property at a lower percentage of market (full) value than other types of property, such as commercial and industrial property. When municipality decides to conduct a property revaluation to achieve fair assessments, the residential properties, as a class, would bear a much larger share of the tax burden. Thus, municipalities may be discouraged from conducting property reevaluations. As a result, New York State passed a law in 1981 establishing the Homestead Tax Option. This local option prevents a large shift of the property tax burden to the residential class of property owners after revaluation.

The project would be taxed at the homestead tax rate by the respective taxing jurisdictions. According to the New York State Real Property Service, one-, two-, and three-family residential units, farm homes; mobile homes that are owner-occupied and separately assessed, and condominiums that were built as condominiums and not converted from some other form, such as rental apartments, qualify as residential property subject to the homestead tax rates.

In New York State, condominium units are assessed generally at a lower value than fee simple units. According to the NYSRPS, Section 339-y of the Condominium Act requires that each condominium unit, together with its common interest, be assessed as one parcel, and provides that the sum of the assessments of all the units cannot exceed the valuation that the condominium as a whole would have if it were assessed as a single parcel. Thus, section 339-y places a ceiling on the aggregate value of the assessments of the units and requires assessors to value a condominium complex as a single entity to determine that ceiling. This ceiling provides a built-in assessment "cap" for all condominiums, which amounts to an "exemption" as a result of the condominium form of ownership.

However, in a community that has adopted a homestead option, Real Property Law allows a municipality to assess condominiums based on market value, and does not require that a ceiling be imposed on condominium dwellings. Article 19 of the Real Property Tax Law regulates that if an approved assessing unit adopts the homestead option, condominiums are included in the homestead class and the assessment limitations of Section 339-y do not apply.

Based upon the projected sales price of approximately \$350,000 per unit, the total market value of the proposed project is estimated to be \$112,000,000. Using the Town's 2010 equalization rate of 30.50 percent, the total Assessed Value of the proposed project used for this analysis is \$34,160,000.

Current and Projected Tax Revenues

Table 3.7-2 compares the taxes generated presently by the property to the taxes which would be generated by the Orchard Ridge Active Adult project at the existing tax rates. Tax revenues are based on 2010 tax rates (2010-2011 tax rate for the Clarkstown Central School District).

As presented in Table 3.7-2, upon project completion, annual tax revenues to the Town of Clarkstown would be approximately \$865,368. The total increase in tax revenues generated by the site as a result of the increased assessed valuation and paid to the Town would be approximately \$808,155 annually. According to the Town of Clarkstown, Receiver of Taxes, the Town's tax rate includes town governmental services, highway maintenance, public parking, lighting and special assessments for water and sewer districts; the taxes to the Congers Fire District and the Congers/Valley Cottage Ambulance Districts are also included.

Table 3.7-2 Current & Projected Taxes Generated by Project Site			
Taxing Authority	Current Taxes (\$)	Projected Taxes - Total (\$)	Difference Between Current & Projected Taxes (\$)
Rockland County	\$11,621	\$179,940	\$168,319
Town of Clarkstown	\$43,752	\$668,584	\$624,832
Open Space	\$394	\$6,031	\$5,637
Congers/Valley Cottage Ambulance District	\$3,069	\$9,704	\$6,635
Congers Fire	\$4,053	\$77,804	\$73,751
Consolidated Lighting District	\$577	\$7,426	\$6,849
Rockland Sewer No. 1	\$2,750	\$47,995	\$45,245
Refuse /Garbage District**	\$1,390	\$43,200	\$41,810
County Solid Waste**	\$1,228	\$4,624	\$3,396
Total Town of Clarkstown	\$57,213	\$865,368	\$808,155
Total Town & County	\$68,834		
Clarkstown School Tax Total	\$107,337	\$1,594,443	\$1,487,106
TOTAL	\$176,170	\$2,639,750	\$2,463,580

Notes: ⁽¹⁾ Tax Rate per \$1,000 of Assessed Valuation.
 **Assessment is per unit.
 Municipal taxes are based upon Town of Clarkstown 2010 Homestead Tax Rates.
 Clarkstown Central School Tax Rates are for the 2010-2011 school year.

The project-generated annual tax revenues to Rockland County would be approximately \$179,940 annually.

At the existing tax rates annual tax revenues to the Clarkstown Central School District would be approximately \$1,594,443. The project would be estimated to increase the assessed value of the subject parcels. By proposing a plan for active adult residential housing which does not generate any school age children, the project will result in an increase in assessed valuation to the school district without an associated increase in cost to the School District. The applicant believes this will result in an annual net benefit to the school district.

Costs Associated with the Proposed Project

An approximate estimate of costs to the Town of Clarkstown associated with the proposed residential development may be determined by obtaining a reasonable composite of current costs on a per capita basis and multiplying this amount by the anticipated population of the proposed project.

Through a review of the Town's operating budget, the amount of expenditures can be derived and, by dividing the population into the amount of expenditures, the per capita cost can be determined. To estimate the portion of the per capita cost which is paid for by property tax revenues (as opposed to other forms of income to the Town), the per capita cost is multiplied by the proportion that property tax revenue comprises of the overall income stream.

In this instance, the adopted 2010 municipal budget for the Town of Clarkstown including the *General Town Fund, Highway Maintenance, Water, Sewer, Lighting, Public Parking and Fire Services* amounts to \$133,651,461¹. The total amount to be raised by taxes is \$104,688,333¹. The tax levy represents 78 percent of the total municipal budget. The 2000 estimated service area population for the Town is 82,082. Dividing the budget to be raised by taxes by the 2000 population results in a per capita municipal cost of \$1,275 per person for municipal services. This represents a "worst-case" estimate of per capita costs, as the commercial and other land uses in the Town also place demand on the various Town and other governmental services which are not considered in deriving the per capita cost.

As described earlier, the proposed project would generate 576 persons. Based on a per capita cost of \$1,275, the additional costs to the Town of Clarkstown are projected to be approximately \$734,400.

As presented in Table 3.7-2, the revenues to the Town from the proposed Orchard Ridge Development would amount to a total of \$865,368, compared to a projected cost of \$734,400. Thus, the applicant believes the impact to the Town of Clarkstown budget will be positive. In addition to the tax revenues generated to the respective emergency service districts, a portion of the tax revenue would be realized by the Congers Ambulance and the Congers Fire District.

¹ Published 2010 Town of Clarkstown Budget.

At the existing tax rates the proposed Orchard Ridge development would generate a total of \$1,594,443 in annual property tax revenues to the school district. The increase in assessed valuation would generate \$1,487,106 above current taxes. As previously stated, this increase in assessed valuation will not be offset by an increase in cost to the school district as no school age children will be living at Orchard Ridge. Table 3.7-3 presents a summary of the anticipated revenue and cost of the proposed Orchard Ridge project.

Table 3.7-3 Revenue & Cost Summary: Orchard Ridge			
Jurisdiction	Projected Increased Taxes (\$)	Projected Costs (\$)	Effect on Budget
<i>Town of Clarkstown</i>	\$865,368	(\$734,400)	\$130,968
<i>Clarkstown Central</i>	\$1,594,443	\$0	\$1,594,443

Source: Tim Miller Associates, Inc., 2011