

Michael D. Reisman  
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Cold Spring, NY 10516

April 23, 2014

To: Mayor and Trustees, Village of Cold Spring, New York

COMMENT ON PROPOSED LOCAL LAW AMENDING VILLAGE CODE  
CHAPTER 134 (B-4A: MEDICAL AND HEALTH CARE FACILITY MIXED-USE  
DISTRICT)

Dear Mayor and Trustees:

I write in my individual capacity, as a Village resident, taxpayer, and five-year former member of the Village Comprehensive Plan/ Local Waterfront Revitalization Plan (LWRP) Special Board.

I support mixed-use development in general, and in particular at the Butterfield site. However, I have concerns about the fiscal impact analysis contained in the Expanded Environmental Assessment Form (“EAF”), dated January 8, 2014, submitted by the applicant. In short, the EAF’s property tax revenue projections appear optimistically high, and the incremental costs may be understated – which could leave Village residents exposed to increased taxes in the future. I am also concerned that no independent fiscal impact analysis of the project has been performed, and that the Village may be exposing residents to a financial hit, should the applicant’s projections prove inaccurate.

Significantly, the EAF does not account for two facts that may dramatically lower the project’s school tax revenues: (1) the lower valuation of condominium units under Section 339-y of the New York Real Property Law; and (2) the STAR tax exemptions, which can exempt the first \$64,200 of the full value of a home from school taxes.<sup>1</sup>

Therefore, I submit my own analysis (see attached spreadsheet) of the project’s potential fiscal impact for the Village Board’s consideration in connection with the Public Hearing set for April 29, 2014. (The attached analysis, unlike the EAF, uses comparable taxable values from Cold Spring.) I respectfully request that the Village Board review this analysis and explain, on the record, why it believes that the applicant’s fiscal impact estimates are correct, and why the analysis contained herein is incorrect. I also ask the Village Board to consider how the Village may protect itself if the project’s actual revenues are lower, and its costs are higher, than stated in the EAF. Because this project will undoubtedly be the largest development in the Village in decades, it is incumbent on

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<sup>1</sup> See <http://www.tax.ny.gov/pit/property/star/index.htm>.

the Village Board to exercise due diligence by conducting a searching analysis of the project's fiscal impact, and considering protective measures, before it amends the zoning law.

As is standard practice in forecasting models, I ran multiple scenarios in order to estimate the financial gain or loss to the taxpayers (via tax contributions to the village, county and the Haldane school district). The model permits, by making changes to the assumptions, consideration of a number of possible scenarios in order to see the approximate revenues and expenses that result. The three scenarios are labeled: EAF Case, Independent Base Case, and Independent Downside Case.

All three cases in the independent forecast showed a smaller revenue contribution to the village, county and school taxing districts than are reported in the EAF. This is so, even though the independent forecast uses the EAF's own expense assumptions. If the EAF's expense assumptions are understated (in particular for fire, ambulance and water/sewer infrastructure costs), the revenue contribution of the project may be even lower. In sum:

- **Independent Forecast** (using EAF cost estimates): Net tax revenue is **\$251,697** less than the EAF's estimate.
- **Base Case** (assuming, as does the EAF, 8 additional school-age children): Net tax revenue is only **\$28,875**.
- **Downside Case** (assuming 16 total school-age children in the development): net negative tax impact of **\$46,637**.

Thank you for your consideration.

Yours truly,

A handwritten signature in cursive script that reads "Michael Reisman".

Michael Reisman

Enclosure