

Fiscal Analysis

Parth Knolls

Town of Ossining, Westchester County, New York

Prepared for:

Parth Knolls, LLC

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COMMUNITY FACILITIES**1.0 Demographic Resources**

The project sponsor, Parth Knolls, LLC. (the "Applicant"), proposes to develop a 53 unit residential rental community, to be known as Parth Knolls, on a 5.5-acre site located on Hawkes Avenue in the central portion of the Town of Ossining, Westchester County, New York. The project site is located in at 87 Hawkes Avenue approximately one-half of a mile north of NYS Route 9A.

The Applicant proposes to construct 53 rental apartments including one superintendents apartment. As illustrated in Figure 1, the 53 apartments will be located in two buildings of two and a half stories each. The buildings will contain a mix of one and two bedroom units. The project will include approximately ten percent below market rate units.

For the purpose of this analysis the development is envisioned to include 40 one bedroom units and 13 two bedroom units. The actual number of units and the proposed bedroom counts will be finalized prior to site plan approval. A review of comparable market rate rents in this area indicate the one-bedroom units will rent for approximately \$1,750 per month and the two-bedroom units are expected to rent for \$2,000 monthly. The below market rate rental values are 80 percent of the market rate rental values.

Demographic multipliers published by the Rutgers University Center for Urban Policy Research (CUPR) were used to project the future population of the proposed 53 unit residential community. Population projections are based upon the geographic region, type of unit, number of bedrooms, and the anticipated rental values. As shown in Table 1, based upon the nature of this development, the multipliers used to project the population are as follows; one-bedroom units house 1.67 persons per unit and two-bedroom units house 2.31 persons per unit. By comparison, 2010 U.S. Census data indicate that the average household size for all housing types in the Town of Ossining is 2.72 persons, and the average family size is 3.20 persons.

Based upon the CUPR residential multipliers, approximately 97 persons, including 7 school age children are projected to reside in the anticipated housing.

| Table 1 Population Projections | | | | | |
|---|------------------------|------------------------------|-------------------|---------------------------------------|------------------------------|
| Unit Type | Number of Units | Population Multiplier | Population | School Age Children Multiplier | School Age Population |
| 1-BR Market Rate | 35 | 1.67 | 59 | 0.08 | 3 |
| 2-BR Market Rate | 12 | 2.31 | 28 | 0.23 | 2 |
| 1-BR Below Market Rate | 5 | 1.67 | 8 | 0.08 | 1 |
| 2-BR Below Market Rate | 1 | 2.31 | 2 | 0.23 | 1 |
| TOTAL | 53 | | 97 | | 7 |

Source: Rutgers University Center for Urban Policy Research, June 2006. Table prepared by TMA, 2016.

2.0 Fiscal Resources

Current and Projected Assessed Value

The proposed residential community is located on the following Town Tax Parcel;

- Section 80.20 - Block 1 - Lot 15

The current equalized assessed value of the undeveloped parcel is \$46,400. This represents 5.65 percent of the total market value of the parcel. The New York State Office of Real Property Services (NYSRPS) requires that rental properties are assessed in terms of the value of the income they provide. Based upon the income value of the proposed rental apartments, the total market value of the proposed community is estimated to be \$8,416,137. Using the current Town of Ossining 2016 equalization rate of 5.65 percent, the total future Assessed Value for this analysis is estimated to be \$475,512.

Current and Projected Revenues

Table 2 compares the tax revenues generated presently by the property to the tax revenues to be generated after the proposed rental community is complete. Revenues are based on 2016 municipal tax rates and the 2015-2016 tax rate for the Ossining Union Free School District.

According to a review of the 2016 tax bills for the subject parcel, the total annual property taxes currently being paid to the Town of Ossining are \$6,918 and include General Fund, Highway, Water, Refuse, Lighting, Fire and ambulance. The municipal taxes paid to Westchester County, including Solid Waste and County Sewer tax are \$3,674. Thus, the total municipal taxes paid are \$10,592, while the annual property taxes paid to the Ossining Union Free School District (OUFSD) are \$21,185.

Upon completion of the proposed Parth Knolls project, as presented in Table 2, annual revenues to the Town of Ossining are projected to be approximately \$70,890. The tax revenues to Westchester County would be approximately \$37,655 annually, thus the total municipal revenue is estimated to be \$108,545.

Table 2 also indicates the future annual revenues to the Ossining Union Free School District would be approximately \$217,050. The net *increase* between the current tax revenues generated by the site and paid to the School District and the total future project-generated revenues to the school district are projected to be approximately \$195,866 annually.

As can be seen in Table 2, overall, the combined tax revenues from each jurisdiction are projected to total more than \$325 thousand annually a ten fold increase of existing tax revenues and an increase of almost \$200,000 annually compared to existing taxes.

| Table 2 | | | |
|--|---------------------------|-----------------------------------|--|
| Current & Projected Taxes Generated by the 53 Unit Parth Knolls Residential Community | | | |
| Taxing Authority | Current Taxes (\$) | Projected Taxes Total (\$) | Net Increase Between Current & Projected Taxes (\$) |
| Westchester County | \$2,760 | \$28,286 | \$25,526 |
| Westchester County Solid Waste | \$252 | \$2,586 | \$2,334 |
| Westchester County Sewer - Ossining | \$662 | \$6,783 | \$6,121 |
| Total Westchester County | \$3,674 | \$37,655 | \$33,981 |
| Town of Ossining (General & Highway) | \$591 | \$6,060 | \$5,469 |
| Unincorporated Area | \$4,702 | \$48,184 | \$43,482 |
| Ossining Ambulance | \$176 | \$1,800 | \$1,624 |
| Refuse, Lighting, Fire | \$1,200 | \$12,297 | \$11,098 |
| Town Water | \$249 | \$2,548 | \$2,299 |
| Total Town of Ossining | \$6,918 | \$70,890 | \$63,972 |
| Total Municipal | \$10,592 | \$108,545 | \$97,953 |
| Ossining School District | \$21,185 | \$217,050 | \$195,866 |
| TOTAL | \$31,776 | \$325,595 | \$293,819 |

Notes:
Municipal taxes are based upon Town of Ossining 2016 Tax Rates.
Ossining School District Tax Rates are for the 2015-2016 school year.

Municipal Infrastructure Costs

A management company will operate and maintain all common areas, facilities and infrastructure included in the proposed development. All of the community aspects of the project will be privately maintained, including the roadway. There are no aspects of the project which are anticipated to result in an ownership, maintenance or operational responsibility to the Town of Ossining, thus reducing municipal costs to the maximum extent practicable.

3.0 Schools

Existing Conditions

The project site is served by the Ossining Union Free School District. The District includes an early childhood development center, three elementary schools, one middle school, and one high school. The Ossining Union Free School District geographically includes all of the Town of Ossining and smaller portions of the surrounding area.

According to information provided in the School District's Budget Publication¹, enrollments have been steadily increasing over the past 10 years. As of October 2015, 4,936 students were enrolled in the District. Table 3 below summarizes the 2015-2016 grade distributions and enrollments of the various schools within the District:

| Table 3 Ossining School District (2015-2016 School Year) | | |
|---|----------------------|------------------------|
| School | Grades Served | 2015 Enrollment |
| Park Early Childhood Center | Pre-K and K | 722 |
| Brookside Elementary School | 1-2 | 738 |
| Claremont Elementary School | 3-4 | 749 |
| Roosevelt Elementary School | 5 | 344 |
| Ann M. Dormer Middle School | 6-8 | 1,040 |
| Ossining High School | 9-12 | 1,343 |
| TOTAL | | 4,936 |
| Katonah Lewisboro School District, 2016. | | |

Potential Impacts

As shown in Table 1, based upon demographic multipliers published by the Rutgers University Center for Urban Policy Research, approximately 7 public school students are projected to reside in the proposed residential development. As the information in Table 3 indicates there are one or two grades in each of the elementary schools, Grade 5 is contained in the Roosevelt School and there are three and four grades in the middle school and high school respectively. An individual student will attend each of the appropriate schools in sequence, thus minimizing the impact of an increase in student population to any one school.

¹ 2016-2017 Proposed Budget Publication, Ossining Union Free School District .

School District Costs Associated with the Proposed Project

The budget for the 2015-2016 school year for the Ossining Union Free School District totals approximately \$117,213,394. Approximately 80 percent of the budget is met through the property tax levy, thus the portion of the budget to be raised through taxation is estimated to be \$93,770,715. The addition of 7 public school students to a population of more than 4,900 students represents an increase of approximately one tenth of one percent. This de minimus increase in student population will not have a significant impact on administrative or capital needs of the district. Any costs to the District would be related specifically to instruction and transportation, referred to as marginal costs. District wide, the marginal costs that are derived from the tax levy total \$58,002,466.

With an enrollment of 4,936 students, the per-student marginal cost to be raised by the tax levy are calculated to be \$11,751. Projected costs to the school district could be up to \$82,257 annually based on an estimated 7 students that would reside in the community. Even this cost is likely overstated given the small percentage of new students compared to the existing student population.

The proposed residential housing development is estimated to generate \$217,050 in property tax revenues annually to the school district. Thus, the overall impact on the district's budget would result in an annual net benefit, at a minimum, of \$134,793 after covering the cost of educating the additional student population.

The Ossining School District is experiencing increasing enrollments due in part to the closing of a nearby private school and in part due to the relative affordability of real estate in the Ossining community. This has resulted in capacity considerations for the district. Demographers for the school district conducted their own projections and confirmed that 7 to 9 new students could be expected from the proposed Parth Knolls project. Construction of the proposed project is projected to take 12 to 18 months which is likely to be spread over two school years. The increased student population is also expected to be distributed throughout the grade levels, resulting in an average of less than one student per grade. The multi-year phasing and distribution of students will allow for the additional students to be integrated to the local schools with the least possible impact. Conversation with the Superintendent of Schools for the Ossining School District² indicated the project was good for the Ossining community and would bring increased tax revenue to the District. The development plans will be forwarded to the School District for review and comment on transportation safety, bus turning radius and bus stop locations.

² Information provided via phone conversation, 4/7/16 with the Superintendent of Schools, Raymond Sanchez, of the Ossining School District.