

3.7 Fiscal Analysis

3.7.1 Existing Conditions

2008 Property Tax Revenues

The project site is approximately 208.5 acres and consists of nine tax parcels located in the Town of Ramapo as follows:

- Section 32.11, Block 1-Lot 2
- Section 32.11, Block 1-Lot 3
- Section 32.11, Block 1-Lot 4
- Section 32.11, Block 1-Lot 12
- Section 32.11, Block 1-Lot 13
- Section 32.11, Block 1-Lot 14
- Section 32.11, Block 1-Lot 15
- Section 32.11, Block 1-Lot 16
- Section 32.11, Block 2-Lot 3

The project site has a combined current assessed value of \$1,514,090. The assessed value of the project site is based on its present status as a primarily vacant parcel with three single family homes and the Hasty Hills Stables. Tax lot numbers and current assessed values of the parcels are summarized in Table 3.7-1.

Table 3.7-1 Tax Lots and 2008 Assessed Value		
	Tax Lot	Assessed Value
Town of Ramapo	32.11-1-2	\$54,900
	32.11-1-3	\$71,800
	32.11-1-4	\$886,140
	32.11-1-12	\$132,100
	32.11-1-13	\$104,500
	32.11-1-14	\$87,195
	32.11-1-15	\$50,000
	32.11-1-16	\$8,860
	32.11-2-3	\$118,595
Total Assessed Value		\$1,514,090
Source: Town of Ramapo Tax Receiver. Table prepared by Tim Miller Associates, Inc., 2008.		

Table 3.7-2 summarizes the taxes paid by the subject property in 2008 to the Town of Ramapo and other applicable taxing jurisdictions. Existing annual property taxes are approximately \$244,622 according to 2008 tax bills (for the school district, the bill is for the 2008-2009 school year).

Table 3.7-2 2008 Property Tax Revenues Town of Ramapo		
Taxing Jurisdiction	Tax Rate (per \$1,000 Assessed Valuation)	Property Tax Revenues
Rockland County	\$10.0000	\$15,141
Town of Ramapo Police	\$19.8226	\$30,013
General Town	\$8.9361	\$13,530
Unincorporated Town	\$4.9420	\$7,483
Ramapo Ambulance District	\$1.7530	\$2,654
Moleston Fire District	\$3.6754	\$4,107
Tallman Fire District	\$2.3374	\$927
Ramapo Lighting District	\$0.6980	\$1,057
Sewer District RR	\$4.6493	\$7,039
County Solid Waste	\$1.0564	\$1,599
Misc. Fees	--	\$1,963
East Ramapo Central	\$101.8623	\$150,409
Finkelstein Library	\$4.8251	\$7,125
ERCS Town Fee	1%	\$1,535
TOTAL		\$244,622
Source: Town of Ramapo, Tax Receiver's Office; 2008 Municipal Taxes, 2008-2009 School Taxes. Table prepared by Tim Miller Associates, Inc.		

Rockland County currently receives approximately \$15,141 annually in property tax revenues generated by the Patrick Farm site.

Town of Ramapo

The Town of Ramapo receives property tax revenues to pay for costs associated with the Town General Fund, Unincorporated Town Fund (outside villages), and the Town Police Department. Ramapo receives approximately \$30,013 annually in property tax revenues. Town utility districts and or service providers, including sewer, solid waste, and water, also receive revenues.

East Ramapo Central School District

The entire site is located in the East Ramapo Central School District. Annual property tax revenues that accrue to the East Ramapo Central School District total approximately \$150,409 for the 2008-2009 school year.

The East Ramapo Central School District collects taxes for the libraries within the district. The libraries currently receive \$7,125 annually in property taxes from the Patrick Farm site.

Other Districts

Annual property taxes received from the Patrick Farm site are paid to the Moleston and Tallman Fire Departments. Taxes received by the Moleston Fire district total approximately \$4,107 and taxes paid to the Tallman Fire Department total approximately \$927. Ramapo Ambulance District collects approximately \$2,654.

3.7.2 Potential Impacts

For purposes of the analysis of impacts, projected annual property tax revenues were calculated by estimating the future assessed value of the new development applicable to each taxing jurisdiction and multiplying same by the tax rate applicable to each taxing jurisdiction.

The current conditions in the U.S. economy are unusual and have altered the nature of the real estate industry in the United States. Certain areas of the country have been harder hit than others. There have been multiple failures of financial institutions, restrictions on lending, a reduced flow of money in the economy and a high rate of housing foreclosures. The recent difficulty in getting mortgages has slowed real estate sales in the area and has interfered with the closing of pending real estate transactions.

The New York region maintains substantial diversity of businesses and industries in comparison to other areas of the country. New York housing prices have escalated over the past decade because of the availability of easy mortgage money and the great economic engine that is New York City, however mortgage money is no longer as easy to secure and the impacts on Wall Street have had a ripple affect in the region. It is expected that there will be an adjustment in the housing market in reaction to the changes in lending practices and the lower demand that has accompanied the economic climate in the past year. Given the diversity of the economy in the NY metropolitan region, there is less likelihood that the NY metropolitan area will experience the degree of housing foreclosures or vacancies which have occurred in other areas of the country. Housing prices have dropped and demand is also lower. The length of time for this area to recover is not known, however, the applicant believes that the forces that have always been in place, population growth and immigration and a robust economic base, will continue to occur in the New York metropolitan area.

Projected Tax Revenues

Consistent with fiscal impact methodology¹, the property tax revenues have been determined by considering what would be generated if the development were completed and occupied today. This approach recognizes that development often requires several years to be completed and that inflation will increase costs and revenues over time. It assumes that the rising costs of public services will be matched by an essentially comparable increase in revenues through increases in the tax rate, all other things being held constant.

The Patrick Farm development would result in the conversion of predominately vacant land to a residential development. The increased market value of the project site, with these improvements, would result in an increase in property tax revenues.

The Patrick Farm Development, would consist of 497 residential units including 87 single family homes on individual lots, 386 multifamily units, of which 314 units would be market rate townhouses and 72 units would be offered as workforce condominium flats. In addition twenty-four (24) rental apartments would be set aside as community service worker housing.

¹ The Fiscal Impact Handbook, Robert Burchell and David Listokin, 1978.

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The tax revenues to be generated by the Patrick Farm development were determined by projecting the market value of the residential units to be built. For the single family homes the market value is the average sales price, projected to be approximately \$800,000 per unit.

According to New York State real property tax law, the market value of a condominium is derived based upon the potential income value of the unit. For this fiscal analysis the value of the market rate townhouses is projected to be approximately \$504,400. The projected income value of the workforce condominium flats is approximately \$295,000 and the income value of the emergency service worker apartments is approximately \$162,000. The income value was calculated by determining the net operating income of each use, and dividing by a conservative 4.5 percent capitalization rate. The taxable assessed value of the project was then calculated by multiplying the sum of the market values for each use, and multiplying by the 2008 equalization rate applicable to the Town of Ramapo, currently 12.38 percent. The total assessed value of the Patrick Farm development is projected to be \$31,319,419. Table 3.7-3 summarizes the assessed value of the proposed development.

Table 3.7-3 2008 Assessed Value of Patrick Farm		
Development Type	Projected Market Value	Projected Assessed Value
87 Single Family Residential Units	\$69,600,000	\$8,616,480
314 Market Rate Townhouses	\$158,256,000	\$19,592,092
72 Workforce Condominium Flats	\$21,240,000	\$2,629,512
24 Emergency Service Worker Apartments	\$3,888,000	\$481,334
Total	\$252,984,000	\$31,319,419

Table prepared by Tim Miller Associates, Inc., 2008.

Table 3.7-4 estimates the annual property tax revenues that would be generated by 87 single family homes, 314 market rate townhomes, 72 workforce townhomes and 24 emergency service worker apartments to be located on the Patrick Farm site, in the Town of Ramapo.

Table 3.7-4 Patrick Farm 2008 Projected Property Tax Revenues		
Taxing Jurisdiction	Current Property Tax Revenues	Projected Property Tax Revenues
Rockland County	\$15,141	\$313,194
Town of Ramapo Police	\$30,013	\$620,832
General Town	\$13,530	\$279,873
Unincorporated Town	\$7,483	\$154,781
Ramapo Ambulance District	\$2,654	\$54,903
Moleston Fire District	\$4,107	\$115,111
Tallman Fire District	\$927	\$0
Ramapo Lighting District	\$1,057	\$21,861
Sewer District RR	\$7,039	\$145,613
County Solid Waste	\$1,599	\$33,086
Misc. Fees	\$1,963	\$40,715
Total Town of Ramapo	\$70,373	\$1,426,061
East Ramapo Central	\$150,409	\$3,190,268
Finkelstein Library	\$7,125	\$151,119
ERCS Town Fee	\$1,535	\$33,414
Total East Ramapo Central	\$159,069	\$3,374,801
TOTAL	\$244,622	\$5,114,056
Source: Town of Ramapo, Tax Receiver's Office; Tim Miller Associates, Inc., 2008		

The Town of Ramapo would receive property tax revenues of \$1,426,061 annually that would accrue to the Town General Fund, Part Town, and the Ramapo Police Department. The various utility districts and service providers would receive tax revenues to pay for solid waste, sewer, and water services provided to the development. The Town of Ramapo charges sewer and solid waste disposal fees on a per unit basis. As informed by the tax receivers office of the Town of Ramapo, the unit charge is based on the number of residences in the development. Once the number of residents is determined, the Town of Ramapo would receive additional fees for sewer and water service.

Rockland County

Rockland County would receive \$313,194 annually in property tax revenues. Additional revenues would accrue to the County sewer district for the portion of the project in the Town of Ramapo as shown in Table 3.7-4.

Other Special Districts

The total annual tax revenues to the Moleston Fire District would be \$115,111 . As discussed, effective January 6, 2009 the entire site is serviced by the Hillcrest Fire Company

#1, all fire tax revenue will go to the Moleston Fire District. The Ramapo Ambulance Corps would receive \$54,903 annually in project-generated tax revenues.

East Ramapo Central School District

Patrick Farm would generate annual property tax revenues of \$3,190,268 directly to the East Ramapo Central School District. In addition \$151,119 would benefit the East Ramapo Finklestein Memorial Library.

Town of Ramapo Cost of the Proposed Project

An approximate estimate of costs to the Town of Ramapo 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 2008 municipal budget for the Town of Ramapo including the *General Town Fund, Highway Maintenance, Water, Sewer, Lighting, Police Protection and Fire Services* amounts to \$68,570,580². The total amount to be raised by taxes is \$47,678,379¹. The tax levy represents 69 percent of the total municipal budget. Based upon the 2006 American Community Service housing survey, which supplements the Decennial US census, the estimated service area population for the Town is 112,347. Dividing the budget to be raised by taxes by the 2006 population results in a per capita municipal cost of \$424 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 in Section 3.6, the proposed project is projected to generate up to 1,932 persons, including 609 schoolage children. Based on a per capita cost of \$424, the additional costs to the Town of Ramapo are projected to be approximately \$819,168.

As presented in Table 3.8-2, the revenues to the Town from the proposed Patrick Farm Development would amount to a total of \$1,426,061 compared to a cost of \$819,168. Thus, the impact to the Town of Ramapo budget is anticipated to be positive.

East Ramapo Central School District Costs

Patrick Farm would generate annual property tax revenues of \$3,190,268 to the East Ramapo Central School District. Since school costs typically represents the largest share of costs associated with any residential development, the cost to the school district is calculated.

The budget for the 2008-2009 school year for the East Ramapo Central School District totaled approximately \$192,728,148. Of this total, \$134,559,794, was raised by the school

² Town of Ramapo 2008 Adopted Budget, as presented to the Town Clerk November 20, 2007

tax levy; the remainder of the costs are paid through state aid and other revenue sources. Current school district enrollment is approximately 8,000 students. Approximately 70 percent of the budget is met through the property tax levy. Thus, the program cost per student to be raised through property taxes is approximately \$11,774 per student.

As noted in Chapter 3.6 of this DEIS, the total number of schoolage children to be generated by the project was calculated based on student multiplier data available from the Rutgers Center for Urban Policy Research, June 2006. Based upon this data approximately 609 students would be projected to live at Patrick Farm. The East Ramapo School District is unique in that approximately 67 percent of the school children that live in the district attend private school. Based upon this proportion, approximately 201 students may be introduced into the East Ramapo Central School District. The district has been suffering with declining enrollment and an influx of publicly-enrolled students to this district would be a beneficial impact.

Based upon the projected cost per student of \$11,774 derived above, the 201 additional students that may be introduced to the School District would increase costs to the District by about \$2,366,574 annually. In addition to the cost for students enrolled in the public school, the East Ramapo Central School District's Office of Funded programs provides services to approximately 17,000 non-public schools. The per student cost for this service to be paid by the property tax levy is estimated at approximately \$625 per student³. These costs include bus transportation and nursing services provided to the non-public school population. The increased cost to the school district from 408 Patrick Farm students who may attend private school is projected to be \$255,000.

The proposed Patrick Farm development will generate a total of \$3,374,801 in annual property tax revenues to the school district, including the Library tax and the Schools Town Fee. The increase in assessed valuation will generate \$3,215,732 above current taxes. After meeting the projected combined costs of school district services to both public and private school students of up to \$2,621,574, the overall effect on the district's budget is projected to be positive.

Impact on Adjacent Property Values

The potential impact of large scale medium and high density residential construction, such as the proposed Patrick Farm project, on the property values of adjacent and nearby properties may be assessed through an analysis of similar properties in the market area. Waterstone Real Estate Appraisals, Inc., conducted an assessment of the impact of a similar development, known as Crystal Hills located on the north side of US Route 202, opposite a conventional residential neighborhood. This analysis is included as Appendix K. Based upon a review of the market values of the homes in the adjacent single family neighborhood before and after completion of the Crystal Hills project, the analysis concludes the market values were not impacted by the large scale multiple residence nearby.

3.7.3 Mitigation Measures

The property tax revenues generated by the project will be adequate to address service demand, and the project is not anticipated to have an impact on the market values of adjacent and nearby properties, thus no mitigation measures are proposed.

³ Phone conversation with East Ramapo School Board Treasurer, Mr. Bier on January 8, 2009.