

3.3 ECONOMIC CONDITIONS COMMENTS AND RESPONSES

Comment 3.3-1 (Mr. Jesse M. Vazquez, PhD., Letter #2, September 28, 2008): Naturally, in the current housing market, homeowners are very concerned about the impact that this development would have on the value of our houses in and around the immediate area of this development. I do not see anything in the economic impact report that speaks to this. Does the town care about the re-sale value of homes in the immediate area of the proposed site? While the Town is certainly concerned about revenues and local tax impact, I see nothing in this report that projects how this kind of development will impact the prices and the desirability of these homes once this project is underway. Can the Board speak to this in any way?

Response 3.3-1: *Under SEQR, a determination of significance can not be based on economic costs and social impact. As stated in the SEQR Handbook, November 1992, page 44, question 26 (emphasis added): "A determination of significance is based on the regulatory criteria relating to environmental significance. If an EIS is required, its primary purpose is to analyze environmental impacts and to identify alternatives and mitigation measures to avoid or lessen those impacts. Since the definition of "environment" includes community character, such impacts are considered environmental not socioeconomic. However, potential impacts relating to lowered real estate values would be considered economic, not environmental. Social and economic benefits of, and need for, an action must be included in an EIS; if an EIS preparer wishes to include a discussion of other socioeconomic impacts, there is nothing in the law to preclude such discussion"*

The proposed retail center is not expected to impact the property values of the lands, specifically the homes, in the vicinity of the project. As detailed below, there have been many economic studies conducted on the subject of commercial development and its impact on existing surrounding properties (residential and commercial properties). The commercial focus of these economic studies ranged from general (lands recently rezoned commercial v. abutting property values) to specific (Kohls v. existing residential development). The results of these studies were mixed and evidence linking other large scale retail developments with decreases in values and desirability of properties in the vicinity of the commercial development was not apparent.

Some of the generic studies analyzed the economic impact of rezoned (rezoned from residential/agricultural to commercial) lands on existing property values that surrounded the rezoned area. According to J.R. Cabai, a property evaluation and appraisals expert, in an ideal world, if a property has always been zoned commercial, as in the case of the Stateline property, then there should be no impact on the values of abutting properties.¹

The Stateline project site has been zoned for commercial use since at least 1984 and areas immediately west, north and east of the site along the US Route 6 corridor are presently zoned Gateway Commercial District (GC-2).² The project site is located in an

¹ Property Valuation/Appraisals Blog [Internet]: J.R. Cabai, (State Certified Residential Appraiser). 2008 January [cited 10 October 2008]. <http://en.allexperts.com/q/Property-Valuation-Appraisals-1657.htm>

² According to the 1982, Master Plan of Development and Conservation, the preferred function of the project site, which was zoned Economic Development -2 (ED-2) at the time, was that of neighborhood retail, office services, manufacturing, administrative offices, manufacturing, motels, restaurants, etc. The project site is currently zoned Gateway Commercial (GC-2). As stated in the Town's 2002 Comprehensive Plan, "significant commercial and industrial growth has occurred from along the existing commercial corridors of Southeast (US Route 6 and 22) from 1991 to 2000".

area that, for the most part, consists of existing commercial and industrial uses, although several single family homes, which are nonconforming within the existing GC-2 Zoning District, are located directly to the west and east of the site. The residentially zoned lands are located adjacent to the north and south of the GC-2 District, on the outskirts of US Route 6.

According to the Town's 2002 Comprehensive Plan, the Town envisions continued commercial activity in the existing commercial areas, including areas east of Brewster Village along US Route 6 and the project site. Therefore, due to the historical commercial designation of the project site and the recommendations for this area noted in several of the Town's Comprehensive Plans (i.e. Years 1982, 1990 and 2002), it is not expected that the construction of the proposed development would influence the existing property values of the lands in the vicinity of the proposed project from a general (zoning) stand point.

In southern Maryland, the potential impacts of commercial development on the property values of existing residential development was conducted by comparing communities with and without commercial development (Maryland Study).³ According to the study, additional shopping opportunities may create a more convenient living community, which in turn could increase the property values of such as areas. "The ability to get groceries, clothing, electronics, auto supplies, furniture, etc. without having to travel more than a few minutes is a must for many people."⁴ The Stateline Retail Center would include an anchor store, a smaller store/junior anchor, a pharmacy, and two other smaller retail uses for a total of 184,800 square feet of retail space, therefore, creating a more convenient community for the residents of Southeast. These residents would no longer have to travel to areas such as Danbury, CT to shop for certain goods and services.

There are certain aspects of commercial development that could negatively impact surrounding property values. The author of the Maryland Study states that "the biggest reason that home prices may be damaged is because of the view."⁵ For example, the front of the development would be more desirable view than a view of the project's loading docks or trash area. As designed, the Stateline Retail Center is located in the central and western portion of the site and all loading docks and trash areas associated with the retail portion of the development would be located along the southern portion of the property, which borders Interstate 84 (I-84). No existing residential development is located south of the project site. The office building's trash area is located east of the proposed office building, away from the non-conforming residential uses located west of the project site.

The overall future views of the Stateline Retail Center from existing residential development would be limited as discussed in the DEIS. Refer to Figures 3.1-32 to 3.1-35, immediately following Section 3.1 of the DEIS, as well as Figures 2-12, 2-13 and the animation in Appendix C herein for views of the proposed development from selected vantage points. Local topography and the curvilinear road network physically limits potential views to the site to within one mile or less, and in most cases existing

³ Southern Maryland Real Estate Blog [Internet]: Commercial Development in La Plata, Maryland. 2008 January 27 [cited 10 October 2008]. http://www.teambenya.com/charles_county_real_estat/2008/01/commercial-deve.html

⁴ Southern Maryland Real Estate Blog [Internet]: Commercial Development in La Plata, Maryland. 2008 January 27 [cited 10 October 2008]. http://www.teambenya.com/charles_county_real_estat/2008/01/commercial-deve.html

⁵ Southern Maryland Real Estate Blog [Internet]: Commercial Development in La Plata, Maryland. 2008 January 27 [cited 10 October 2008]. http://www.teambenya.com/charles_county_real_estat/2008/01/commercial-deve.html

vegetation obscures view of the site, even in winter. Some limited nearby and adjacent residential development would experience frontal and side views of the proposed Stateline development. These effects, however, would be offset to some degree by proposed landscaping, wooded area and open space would remain.

The Stateline Retail Center is planned such that it would improve the commercial presence along the US Route 6 corridor, which is the gateway entrance into the Town of Southeast, as well as create a welcoming public destination for the community to gather. Gateway elements associated with the two site entrances could include mature plantings, decorative stonework and paving blocks. The landscape treatment along the public roadway would tie into the proposed landscape treatments along interior roads, parking, and pedestrian areas to convey a distinct sense of place and improve the experience of entering the Town. The proposed plan includes a series of sidewalks and streetscapes to connect the public open spaces across the project site. Sidewalks throughout the retail center would tie together the retail, community use, management office, and public open space aspects of the plan.

The proposed development, including its landscaping plan and amenities, is not expected to negatively impact the property values of the lands within the vicinity of the site.

The overall character of the surrounding area of the site is eclectic in nature as noted in the DEIS. Commercial and industrial development has historically followed the US Route 6 corridor, whereas residential development has been constructed in areas north and south of the corridor. The residential structures located north and south of US Route 6 include a broad range of architecture styles and are of various sizes. The buildings located along US Route 6 also vary in their structural style including one to two story warehouses, two story residential homes, and attached one story retail facilities.

Figure 3.1-5, located immediately after Section 3.1 of the DEIS, is a survey identifying the buildings located along the US Route 6 corridor in the vicinity of the project site. Figures 3.1-6 through 3.1-19B of the DEIS illustrate the individual buildings identified by letter in Figure 3.1-5. As can be seen in the photographic survey of buildings in the US Route 6/202 corridor, much of the current development is older and lacking a unified appearance that is desirable for a gateway area. As designed, the proposed Retail Center would update the existing architecture located along US Route 6 Corridor and create a welcoming gateway into the Town of Southeast.

Comment 3.3-2 (Mr. Jesse M. Vazquez, PhD., Letter #2, September 28, 2008): The DEIS report clearly states (p. 3.3-4) that *"No defensible models were found capable of providing local detailed information relating to secondary housing demand."* and further down in the same paragraph, the report states that *"They (the tools) are not useful for assessing increased demand within the trade area of affordable housing resulting from the Proposed Action."* All of this is about *"affordable housing"*. And there is nothing that addresses the impact on the most local residential housing along roads leading to the proposed site.

And before this, on the same page, the report clearly states the following:

"However, due to the constant fluctuation of the housing market and the other local economic factors, it was determined that the model and similar development impact analysis models are

not configured to project local housing, demands associated with jobs from the proposed commercial development. Furthermore, in a conversation between IMPLAN Software Developers and TMA Staff, it was determined that the modeling program did not include local housing market data and other local economic data."

So there is nothing about how our local existing housing market will be impacted by the Proposed Project. This matter is simply missing from this report.

Given the current market collapse in recent days, we would hope that this will be of critical concern to all of us. This should be serious reason enough to take pause. These folks do not know what would happen to the value of our homes, do they? And in their concern for affordable housing for workers, they point to sites in Dutchess County and in Danbury that might have affordable housing for prospective employees. But there is nothing about how our houses will do as a result of the imposition of this new development.

I would ask the Planning Board to address this because given the current economic crisis this is a very serious concern. Many of us have paid good solid prices for our homes in this area, and pay hefty taxes to live in this community. We have invested heavily in remodeling, and some have built new houses as well. The value of that investment means something to all stakeholders in the Town of Southeast. Threatening that or not having any idea of what sticking this big box store along that road will mean to the value of our properties seems to be something that we need to know.

Response 3.3-2: Refer to Response 3.3-1 above for a response pertaining to the proposed development and its potential impacts on the property values of the existing residential properties in the project's vicinity. Refer to Response 3.3-16 for a discussion of the use of the IMPLAN model.

The DEIS discusses the secondary growth potential related to the need for affordable housing associated with the increase in local workforce demand with the operation of the retail center. As stated in response 3.3-1: According to J.R. Cabai, a property evaluation and appraisals expert, in an ideal world, if a property has always been zoned commercial, as in the case of the Stateline Retail Center property, then there should be no impact on the values of abutting properties.⁶ In light of the lack of value impacts for abutting properties, there would be even less impact potential for properties that are not direct abutters. Discussion of the residential housing market is limited in the DEIS to the statement that new housing demand with the Proposed Action would be limited in consideration of the labor force. The analyses presented in the DEIS conforms with the scope adopted by the Lead Agency for the environmental review of the Proposed Action and, as such, the requirements of SEQRA.

With regard to the "hefty" tax burden borne by the residents of this and other communities throughout Putnam County the following is offered:

County Executive Robert J. Bondi, in his State of the County address of 2007, recommended that Putnam County raise its sales tax rate from the current 3.5 percent to 4.0 percent to avoid eliminating essential services. According to Mr. Bondi, the "...sales tax recommendation will yield \$12 million dollars per year,

⁶ Property Valuation/Appraisals Blog [Internet]: J.R. Cabai, (State Certified Residential Appraiser). 2008 January [cited 10 October 2008]. <http://en.allexperts.com/q/Property-Valuation - Appraisals-1657.htm>

based on actual collections in 2006, which represents 10 percent of the 2007 gross operating budget” and without the sales tax increase, the County Executive stated that “...the total tax levy increase for 2008 will be 66%...” not including costs unknown at the time of his address.

In his 2008 address, the County Executive stated the following:

“Commercial growth has long been an issue in our County and the lack of smart, environmentally safe commercial growth has hurt us tremendously. We, at the County level, have sought to advocate for projects that meet this requirement but we find that we are rebuffed at every turn-by territorial town boards, by special interest groups and, worst of all, misinformation about projects and proposals. What we see happening in our County – ever increasing needs by our expanding population and a dearth of commercial outlets that would generate the sales tax revenue to provide them – is the culmination of these types of roadblocks. We will continue to advocate for projects such as...the Stateline Project in Brewster...and other projects that have yet to be unveiled. Imagine the better financial situation that Putnam County would be in if even just one of these projects had been approved and built five years ago.”

The significant retail sales dollars generated to the County by the Proposed Action should help to reduce future County tax increases to residents.

Comment 3.3-3 (Mr. Jesse M. Vazquez, PhD., Letter #2, September 28, 2008): We all know now that these big box projects come with a great deal of fanfare about providing tax relief to the local municipality. But study after study has shown that this is far from the truth. The ultimate costs for towns will far exceed the paltry tax revenues that are slated for Southeast.

The Planning Board should do some numbers crunching for this section. It seems to me that the projected property and school tax revenues from the Stateline Retail Center would be \$566,471 annually, representing a \$551, 936 annual increase. Of this, \$447, 841 would go to the Brewster Central School district annually." And 2.2 million would go to Putnam County, and the Town of Southeast would receive approximately \$58,262 in annual property taxes." (p.3.3-1, Economic Conditions section). Is this really it? Is this what we are destroying that piece of property for, to obtain \$58K a year in property taxes. I hope that the town board looks at this as seriously as they do other aspects of this DEIS.

The State gets its cut of 2.4 million and the remainder of sales taxes will go to the MTA at about \$228,257.

Response 3.3-3: *The projected tax revenues presented in the DEIS are correct and were based on 2007 tax rates (2006-2007 School District tax rates). These rates are likely to increase over time. The Town of Southeast would, in fact, receive \$58,262 in annual property taxes, which is an increase of \$56,767. The Town currently (2007) receives \$1,495 in property tax revenues from the project site. Additionally, the Brewster Central School District would receive \$566,471 annually, which is an increase of approximately \$436,356.*

As documented in the DEIS, the Proposed Action does not involve community funded resources such as water supply, waste water treatment or municipal solid waste

disposal; expenses related to the provision of these services will not be incurred by the Town as a result of this project. The DEIS further documents, as verified by the respective department heads, that neither Police, Fire nor Emergency Medical Services would be adversely impacted by the development of the Proposed Action. The current staffing and equipment of the community service providers are adequate under the existing condition and future build condition. Therefore, only a limited amount of the tax revenue received by the Town would be required to offset municipal costs associated with this project.

Furthermore, the proposed roadway improvements will not require funding by the Town of Southeast.

It must be noted that the property in question is zoned by the Town in a way that allows it to be developed for commercial uses by the property owner.

Comment 3.3-4 (Mr. Jesse M. Vazquez, PhD., Letter #2, September 28, 2008): This benefits Southeast precious little in the long run, but would have the potential of adding more traffic, and possibly more blight to an already poorly developed corridor leading to Brewster Village, and will greatly demand much from our existing services and infrastructure.

Response 3.3-4: Refer to Section 3.9 (Response 3.9-7), Traffic and Transportation for a response to the traffic portion of the comment.

The DEIS examines the effects of the proposed project on existing area businesses and the character of the surrounding community. The introduction of 184,800 square feet of retail space may draw some shopping dollars away from the surrounding commercial clusters for some existing retailers that have a high degree of overlap of the goods and services to be provided at Stateline Retail Center. The increase in competition for a store like Home Goods (Old Route 6), which is located in Brewster, could potentially lead to secondary displacement should these establishments no longer remain viable from a competitive standpoint. Although unlikely, should secondary displacement occur, the vacated site would most likely be reused by another commercial establishment allowed pursuant to zoning. This transition of businesses would not result in significant long term economic impacts to US Route 6, including Main Street and US Route 22 commercial centers nor in blighting of the immediate neighborhood, as land values remain high. Should these establishments be displaced, it is unlikely that their sites would remain vacant in the long term, given their size and prominent locations along main roadways.

While store turnover and vacancies have occurred in the Hudson Valley, there is little documented evidence that “blighting” has occurred. Big Box development is an international trend that results in greater efficiencies in the delivery of retail goods to the marketplace and lower prices. Big Box retail development appears to be highly desirable and the dollars spent in such establishments invariably results in increased sales tax revenues for local jurisdictions. It cannot be concluded that Big Box development adversely affects the economy as a whole, or replaces or eliminates other alternatives.

In terms of changes in community character (blight) as a result of store front vacancies, the Lake Carmel Hardware Store (vacant) shows the condition of NYS Route 52 in the vicinity of this vacant storefront (see FEIS Figure 3.3-1). The adjacent businesses have

remained viable and the vacant hardware store has not had a blighting effect on the adjacent and nearby commercial uses. The Dill's Best store that was vacated in 2006 also does not appear to have had a blighting effect on the NYS Route 52 corridor. A new salon (Hair Palace 2) opened across from the former Dill's Best Store in 2007, and the vacant former Dill's Best building has not presented a blighting image for its surrounding uses.

While the Stateline Retail Center project is not expected to result in similar closures due to secondary economic effects, these examples of vacancies that have occurred without the proposed project demonstrate that effects from limited store closures on community character and the viability of these commercial areas would not be significant, should limited displacement occur as a result of the project.

Significant infrastructure impacts are not anticipated as a result of the Stateline Retail Center, and costs to the involved municipalities are expected to be offset by substantial projected tax revenues and proposed mitigation measures. In the Applicant's opinion, the location of the proposed project, near the intersection of Interstate 84 and adjacent to US Route 6/US Route 202, make it ideally situated for the type of retail facility proposed from an infrastructure perspective.

Section 3.2 Community Services of the DEIS described the existing community services and potential impacts resulting from the proposed Stateline Retail Center project, including potential effects on police, fire and emergency medical services. No significant impacts to the community service providers that would serve the project site were identified as a result of the construction of the Stateline Retail Center.

Services such as water supply and wastewater processing will be addressed on-site and will not be provided by the Town. Solid waste removal will be through a private contractor. New York State Electric and Gas (NYSEG) has stated that infrastructure is in place to supply the project with power (electric and gas). Road improvements will be funded, as noted in the DEIS, by the Applicant.

Comment 3.3-5 (Mr. Jesse M. Vazquez, PhD., Letter #2, September 28, 2008): The Economic Conditions section continues in an effort to support the viability of this project by listing the retail centers to the North, West and East of the proposed site. What we need to see is that Danbury, only a very short distance from the Stateline site, provides an enormous variety of retail and entertainment possibilities for many of the residents of Southeast. Plunking one lone large store on the border this way seems hardly a point of destination for shopping when one could easily go to the Danbury Mall and the closer Danbury Green Mall for shopping in a variety [of] smaller retail shops. This is what we have been doing. Countless other little strip malls in and around the area have much to offer within striking distance of the proposed site.

Response 3.3-5: *The Stateline Retail Center is not proposed as "one lone large store." It is a commercial subdivision of land into two parcels where Lot 1 would consist of 14,800 square feet of office space and Lot 2 would include an anchor store, a smaller store/junior anchor, a pharmacy, and two other smaller retail uses for a total of 184,800 square feet of retail space.*

The analysis of the market potential and impact of the Stateline Retail Center focused on the area from which most of its customers are likely to come and most of its

competition exists. The initial investigation studied the area surrounding the proposed Stateline Retail Center in all directions, north, south, east and west. This analysis included consideration of potential patrons from, and competition within and around, Danbury.

The City of Danbury is located approximately 15 minutes (7 miles) from the project site and provides a variety of retail and entertainment possibilities for many of the residents of the Town of Southeast. After review of the competition, it was determined that Danbury would not be a source of a significant portion of the potential customer base for the Stateline Retail Center because of the existence of Danbury Mall and presence of other retail opportunities including the Danbury Green Mall.

However, a Southeast resident would have to travel to the Danbury Fair Mall (ten minutes or five miles) or the retail clusters located in Bethel, Ct. (23 minutes or ten miles) past the Stateline Retail Center to reach an anchor store of the size and with the variety of products as is planned to be available at the retail center. It was concluded that some persons, now traveling from Southeast and other areas to the west, north and south to shop, would find it more convenient to do some of their shopping at the proposed Stateline Retail Center. This judgment was confirmed by a survey taken of customers at the Danbury Green Shopping Center, which lies on Route 6/22 between the proposed development and the majority of the shopping opportunities offered in Danbury. The survey results indicated that the Danbury Green Shopping Center captured shoppers coming mainly from surrounding locations other than Danbury. The analysis, therefore, focused on a Primary Trade Area that excluded Danbury.

A Primary Trade Area is defined as the geographic area from which 70 percent or more of the customers are drawn.⁷ The identified Primary Trade Area for the Stateline Retail Center was based on existing conditions, competition, demography and reasonable assumptions gathered from available information including the survey taken at the Danbury Green Shopping Center. The DEIS included information, analysis and discussion of emerging conditions also based on available information and reasonable assumptions (See subsection, Emerging Factors Impacting Purchasing Power and Competition, Section 3.3 of the DEIS for details).

The existence of the Danbury Green Shopping Center, at which the survey was taken, and the very fact that its customer base appears to be almost exclusively persons who reside in areas other than in Danbury, provides initial evidence that stores located on Route 6/22 and on the road toward downtown Danbury can capture a significant number of shoppers traveling from the west of Danbury.

The proposed project, therefore, would be expected to attract some customers (particularly local Putnam County residents) currently shopping at stores in Danbury. This would allow the Town of Southeast to collect tax receipts currently going to the City of Danbury and greater Connecticut area. As noted above, the school district in the Town of Southeast would be a major beneficiary of tax receipt benefits (See Table

⁷ Roark, Bill and Ryan Roack. Concise Encyclopedia of Real Estate Business Terms. New York: The Haworth Press, Inc., 2006.

3.3-3, *Existing and Projected Annual Property Taxes Generated By Project Site in the DEIS, Page 3.3-7*).

Comment 3.3-6 (Mr. Jesse M. Vazquez, PhD., Letter #2, September 28, 2008): The conclusions on who would come to the Stateline Center seem to be premised on erroneous assumptions and there is very little in the way of evidence that this will actually happen as suggested— Appendices notwithstanding. Why is Patterson included now, given the proposed or in-progress development of Patterson Crossing, which is a still larger version of what the developer is proposing for Stateline? Although there is mention that Patterson Crossing may take away from the business in Stateline. This doesn't make sense. Why would those folks come down to 6-202 for one anchor store? This is not made clear by the DEIS report.

Response 3.3-6: *The evaluation presented in the DEIS included existing information relevant to the proposed Patterson Crossing Retail Center and to other planned retail projects. The DEIS also documented the likely impact that such planned developments would have on the proposed Stateline Retail Center.*

To that end, the analysis considered the question of whether the purchasing power existing in the primary trade area could support the existing retail stores along with the projects under consideration at the time of the analysis. The expected impact of both Patterson Crossing Retail Center and a planned Peach Lake Commons retail center were included in the analysis of emerging competitive conditions. It was noted that the Patterson Crossing Retail Center together with the Proposed Peach Lake development, and including the proposed Stateline Retail Center, would capture approximately 47 percent of the general merchandise sales currently estimated to be "exported" from the Primary Trade Area.

It is suggested, therefore, that the estimated purchases of retail products proposed to be carried at the Stateline Retail Center would continue to exceed, significantly, the total sales expected to occur at the this retail center, the Patterson Crossing Retail Center and other planned shopping developments in the area and the export of shopping dollars would continue.

Comment 3.3-7 (Mr. Jesse M. Vazquez, PhD., Letter #2, September 28, 2008): It was noteworthy to read that the DEIS report quoted the Federal Reserve related to the matter of continued expansion in the New York area – It reads “...though at a somewhat more subdued pace” (Board of Governors of the Federal Reserve System, Beige Book November 28, 2007). I wonder what that estimate would be today, the day before a vote on the 700 Billion dollar bailout of the market. (p.3.3-20)

Response 3.3-7: *The economy on September 28, 2008, the date of this comment, was more vulnerable than appearances might suggest during the period in which the DEIS was prepared. Economic growth, and consequent retail sales, may be more modest in the immediate future than projections performed a year ago. The economy has continued to weaken in the period subsequent to late 2008. Clearly, the outlook for the immediate future is weaker than it appeared at the time of the original analysis. The outlook for the longer term (i.e. 3 years and beyond) is no different than it would have been at the time that the original analysis was developed because the economy will recover from the current recession and continue on its long-term trend beyond the next several years. As a result, the findings of the EIS analysis would remain unchanged.*

Comment 3.3-8 (Mr. Jesse M. Vazquez, PhD., Letter #2, September 28, 2008): The so-called “substantial residential development (is) under construction in the City of Danbury, Connecticut, which is referenced, I believe is the Rivington Project, which has recently been halted at its first phase because of financial problem of the parent group. One also has to consider how much further and how slowly “The Reserve” project will evolve in Connecticut, as mentioned in the DEIS report. The final sentence in that section is quite prophetic in many respects: “Based on the impact of national trends in the New York Area and the information identified for development in PTA, it is expected that slow growth will occur in population, incomes and area employment especially in office-type and retail sales” (p.3.3-20, Economic Conditions). This seems like a dramatic understatement; given today economic prospects for the entire nation – one has to question the economic prudence and viability of this kind of enterprise, especially in a market where we have recently seen dramatic cancellations of new construction (e.g. Home Depot centers, the closing of 600 Starbucks outlets, and so on). So now we need to know what the economic advantage for Southeast would be, given the latest market trends and a looming recession. This seems to present a challenge to the economic development claims included in this DEIS report, would it not?

What should be of utmost concern for our Town is that this report was written and slightly altered as of June 2008 to consider the down trend in the market at that time, but when one reads these rosy prognostications from the other side of a Federal bail out, one needs to re-examine the entire premise of this section of the DEIS. Is this really the best use of that property for this town at this time?

Response 3.3-8: *The purpose of the EIS is to assess the environmental effects of the proposed project. As stated in the previous response, current economic conditions would not alter the findings of analyses conducted for the EIS.*

The writer does not suggest an alternative use that would be better than the Stateline project. So it is not possible to answer that question. However, as noted above in Response 3.3-1, the Stateline project site has been zoned for commercial uses since at least 1984 and this site as well as areas along Route 6 east of Brewster Village have been envisioned as commercial uses by the Town as early as 1982 if not earlier.

The Stateline Retail Center, as designed, meets the Town of Southeast Zoning Code bulk and area requirements for a GC-2 Zone and the criteria for Special Permits and Conditional Uses within this district. The project site is located in an area that, for the most part, consists of existing commercial and industrial uses and would be generally compatible with surrounding land use patterns. It is appropriately located in a commercial district adjacent to major transportation corridors, and away from concentrations of residential development and from a land use and zoning perspective, the proposed development would continue the trend of development that has been occurring along US Route 6 within the Town of Southeast.

The Stateline Retail Center would reduce the current loss of sale tax revenues to stores outside of the State of New York. Based on the economic findings presented in the DEIS, the proposed project is not expected to result in significant adverse economic impacts on the Town of Southeast or its existing businesses. The Economic Impact Analysis suggested that the proposed project would mostly fill part of an existing retail gap in the Town as well as its Primary Trade Area, rather than create an oversupply of

the type of facility that is proposed and would generate tax revenues and new employment for the Town of Southeast, Putnam County and the greater New York State area.

Refer to Response 3.3-7 for information pertaining to today's market conditions.

Comment 3.3-9 (Mr. Jesse M. Vazquez, PhD., Letter #2, September 28, 2008): Finally, the DEIS report suggest that there will be no significant displacement of existing stores in the PTA area of Southeast. This is difficult to assess, and even more difficult to imagine, since the trend in most places is that the local small business are directly challenged. The report also suggests that if local businesses do go under that there would be no building blight, and that the empty spaces would be taken up almost immediately. Does this notion really reflect what we have leading into Brewster Village. One store in a newly developed strip – a natural foods market – just went out of business and other store fronts remain vacant. So I am not quite sure what this report is really addressing in this section. We should all remain skeptical regarding this claim.

Response 3.3-9: *The DEIS makes no claim “that the empty spaces would be taken up almost immediately” as stated in the comment. The DEIS states that “should some existing businesses in the Primary Trade Area or the Town of Southeast experience increased competition from the proposed stores that leads to their closing, such as businesses that are already experiencing competitive pressures, the space occupied by those stores would most likely be reoccupied by other businesses, with no resulting blighting effects or significant impacts to the local economy or neighborhood character of the Town of Southeast.*

As stated in the DEIS, the proposed project would focus future commercial growth in an appropriate location, near major transportation infrastructure. An economic market analysis was conducted for the proposed development, which indicates that there is a market within the Town of Southeast and beyond for the retail establishments proposed for the Stateline Retail Center.

Refer to Response 3.3-4 for a response pertaining to commercial displacement and blight.

Comment 3.3-10 (AKRF, Letter #4, September 29, 2008): GENERAL COMMENTS - 1. What is meant by the reference to the “Putnam Paradox” on page 3.3-8?

Response 3.3-10: *The phrase Putnam Paradox was coined in response to the way Putnam residents spend their disposable income. Marc Goloven, an economist for JP Morgan Chase, conducted research that showed that two-thirds of the disposable income generated by Putnam residents is spent outside of Putnam County resulting in the loss of sales tax revenues to neighboring municipalities.⁸ “Every time a resident of Putnam County drives across the border into Connecticut, Westchester, Dutchess or other neighboring municipalities to shop, they take their sales tax dollars with them. So, instead of Putnam County receiving the sales tax collected on goods and services bought, other municipalities benefit from such purchases.”⁹*

⁸ “What does this mean to you and your family”, Putnam Paradox. 18 April 2007
<<http://www.putnamcountyny.com/paradox/main.htm>>

⁹ “What is the Putnam Paradox”, Putnam Paradox. 18 April 2007
<<http://www.putnamcountyny.com/paradox/main.htm>>

The proposed action would counter the Putnam Paradox by keeping sales tax revenues in Putnam County.

In addition, the project would be supportive of existing policies of the County such as the "Shop Putnam" initiative, which supports smart commercial growth and informs residents of the goods and services available to them at businesses throughout Putnam County.

Comment 3.3-11 (AKRF, Letter #4, September 29, 2008): GENERAL COMMENTS - 2. The analysis should specify whether dollar values obtained from materials (particularly from materials older than current year) have been adjusted for inflation, or whether they are in nominal dollars from the year of source materials. In some cases adjusting dollar values to account for inflation could have a material effect on the results of analyses. Specific examples include the following:

- a. Section 3.3.2, "Construction Expenditures" subheading: An amount of \$125 per square foot was used to calculate the construction costs of the office portion of the proposed project. The source material was a 1994 ULI document. Apart from the fact that construction costs have escalated in real terms since 1994, if the analysis was to account for inflationary effects alone the \$125 amount would be \$179 in 2007 dollars.

Response 3.3-11a: *The construction cost estimate for the proposed office portion of the project was calculated using formulas from 1994 Development Impact Assessment Handbook (i.e. \$125 per square foot for construction cost of office building). Using the 1994 numbers would result in a cost of \$2,363,080 for the office portion of the site.*

The construction cost of the office building utilizing the cost per square foot inflated to 2007 numbers (i.e. \$179 per square foot for construction cost of office building) would be \$3,162,280, a difference of approximately \$800,000. Please note, these calculations include the current assessed value of the project site and project site improvement provided by the project's engineer. This increase in construction costs would not create any significant adverse impacts. On the contrary, the increase would further benefit the local economy with a portion of the materials being purchased locally and the related sales tax revenue being added to the local and County coffers. This would also result in an increase in construction employment and their secondary economic benefits.

- b. Table 3.3-4 (and surrounding discussion) uses "Annual Sales Tax Based 2008 Data (ULI). The data itself is not 2008, the data (year of source data unspecified) was inflated to 2008 dollars (month of CPI index inflation to 2008 dollars also unspecified).

Response 3.3-11b: *The DEIS, in section "Projected Sales Tax Revenues Generated by the Project", indicates that ULI base data from 2005-2006 was used and inflated to 2008 dollars. The footnote to Table 3.3-4 should have indicated that the sales tax numbers were estimates, based on 2005-2006 sales values per square foot, and that the numbers had been inflated to 2008 dollars. In order to estimate 2008 sales and resulting sales tax, the 2005-2006 ULI data was inflated 6.4 percent for the 2 and ½ year period to reach the 2008 values used.*

- c. Table 3.3-5a: It is unclear as to whether the year 2000 per capita income statistic was adjusted to provide for an apples-to-apples comparison with the 2006 per capita income.

Assuming they are in nominal (unadjusted) dollars, the adjustment would put 2000 per capita income (approximately \$39,000 in 2006 dollars) above 2006 per capita income.

Response 3.3-11c: *It is not inconceivable that deflated dollar incomes have fallen during this period. The estimates of per capita income were from Claritas, an industry accepted data service. The average per capita income reported in Table 3.3-5a for 2006 is 15 percent higher than the \$32,322 reported by the Census in 2000 (based on 1999 earnings). This represents a compounded average annual interest rate of two percent.*

InflationData.com publishes a monthly and annual average inflation rate, based upon the current Consumer Price Index (CPI-U) which is generated monthly by the Bureau of Labor Statistics. Using their Inflation Calculator, the indicated rate of inflation from January 2000 to January 2006 is 17.48 percent, slightly higher than the 15 percent increase estimated in per capita income. This supports the writer's contention that 2000 per capita income adjusted to 2006 dollars, would be above the 2006 per capita income. The indication is that inflation grew at a greater rate than did incomes. This change would not alter the DEIS finding of no significant adverse impact.

Comment 3.3-12 (AKRF, Letter #4, September 29, 2008): GENERAL COMMENTS - 3. The text is inconsistent in its sourcing of estimates and projections. Specific examples include the following:

- a. Section 3.3.2, "Construction Expenditures" subheading: The analysis states that material purchases necessary for the construction of the proposed project... be expected to total approximately \$12.4 million, which is 42 percent of the total construction expenditures. The analysis cites "data obtained from the Urban Land Institute" but it is unclear as to whether the source is the 1994 Development Impact Assessment Handbook that is (correctly) sourced for a later statistic in the discussion.

Response 3.3-12a: *As stated in the DEIS, construction of the proposed Stateline Retail Center would result in significant construction related material purchases. For the purpose of projecting construction expenditures and future property taxes, the future assessed value of the Stateline Retail Center project was calculated based on the project site's current assessed value, the gross leasable area of the proposed development and the land improvements proposed. The estimated value for the project was \$29,502,000. A portion of this value was based on a 2005-2006 per square foot building cost provided by the project's architect (\$100 per square foot for the 134,000-square foot retail anchor; \$125 per square foot for the 25,000-square foot home goods store; and, \$150 per square foot for the remaining smaller retail stores).¹⁰ The \$125 per square foot used to calculate construction costs of the office portion of the proposed project is taken from the 1994 Development Impact Assessment Handbook.¹¹ Also included in the total project value is the project engineer's 2006-2007 estimate of site land improvement costs of approximately \$6.5 million.¹²*

¹⁰Source: Street-Works, LLC, 2007.

¹¹Burchell, Robert W., David Listokin, et al., *Development Impact Assessment Handbook*. Washington, D.C.: ULI-the Urban Land Institute, 1994

¹²Insite Engineering, Surveying and Landscape Architecture, PC, 2006-2007.

Based on formulas obtained from the 1994 Development Impact Assessment Handbook regarding contract construction purchases, the material purchases necessary for construction of the proposed project would be 42 percent of the total construction cost (i.e. \$12.4 million) and local purchases would make up 25 percent of all material purchases (i.e. \$3.10 million). Higher material costs, if realized, would generate additional tax revenues for the Town and County and would increase the number of person-years of construction employment. This change would not alter the DEIS finding of no significant adverse impact.

- b. Section 3.3.2, "Construction Income Impacts" subheading: There is no source for the wages and salaries associated with direct and indirect construction labor.

Response 3.3-12b: *The source of the wages and salaries associated with the direct and indirect construction labor was from the Development Impact Assessment Handbook, 1994, by Robert W. Burchell, David Listokin, et al (Urban Land Institute).*

The 2004 data on wages and salaries for the construction period were not updated to current dollars. As noted in the DEIS the construction workers would be expected to have a positive fiscal benefit on existing local businesses in the Town of Southeast, purchasing food, gasoline, convenience shopping, etc. Adjusting the wages and salaries to current dollars would only inflate the potential dollars spent by these workers during the construction phase and is a beneficial impact of the project.

Direct income impacts (wages and salaries) from the construction of the Stateline Retail Center would be approximately \$2,399,083, based on 2004 wage data. These direct income impacts include the wages and salaries of the on-site construction employees. The total income impact from the construction of the proposed development would be approximately \$5,526,935, which includes both direct and indirect (off-site effects) wages and salaries from the construction of the Proposed Action.

- c. Section 3.3.3, "Long Term Employment" subheading: There is no source data to support the assertion that 45 minutes is a reasonable commuting distance.

Response 3.3-12c: *According to the 2000 Census, the mean travel time to work for residents of northern Westchester County, Putnam County and southeastern Dutchess County ranged from 35.4 to 59.4 minutes. See FEIS Figure 3.3-2 for the Mean Travel Time to Work by County. The mean travel time to work for residents of Connecticut's Fairfield and Litchfield Counties, as noted in the 2000 Census, was slightly lower (average of 25.4 to 28.0 minutes to work respectively). In combination with the mean travel time data by County gathered from the 2000 US Census and the anticipation that many of the future employees of the Stateline Retail Center would be traveling from the above mentioned areas, a reasonable commuting distance of forty five minutes or less was established.*

Comment 3.3-13 (AKRF, Letter #4, September 29, 2008): SECTION 3.3.2, "CONSTRUCTION EXPENDITURES" - 1. The analysis uses a 1994 ULI source for construction costs associated with commercial office development (\$125 per square foot). Construction costs have risen substantially in real terms since 1994. The analysis should include or replace

this estimate with a more recent source, or the text should indicate that this is conservative for purposes of analysis.

Response 3.3-13: *Comment noted. The Development Impact Assessment Handbook¹³, 1994, was used to present a conservative analysis of the construction costs associated with the proposed development.*

Comment 3.3-14 (AKRF, Letter #4, September 29, 2008): SECTION 3.3.2, "CONSTRUCTION EMPLOYMENT" - 1. The text indicates that the Stateline Retail Center project would generate up to 223 person-years of onsite (direct) construction employment, and 100 person-years of indirect employment. The section that follows, "Construction Income Impacts," claims that wages and salaries from the 223 person-years of direct construction employment would be approximately \$2,399,083, suggesting that wages and salaries for one person-year of construction employment is equal to \$10,758, which is extremely low. The analysis goes on to state that the wages and salaries of the direct and indirect employment combined would be \$5,526,935. The difference between the two values (\$3,127,852) is therefore attributable to the 100 person-years of indirect employment generated from construction activities, for an annual salary of \$31,279. The assumptions and calculations should be reviewed and corrected.

Response 3.3-14: *To correct and amend the text in the DEIS, the direct and indirect income impacts (wages and salaries) have been inflated to 2008 dollars by using an average annual inflation rate of 2.5 percent per year. The inflation numbers are presented below in parentheses. Direct and indirect income impacts (wages and salaries) from the construction of the proposed development would be approximately \$8,005,335 (\$11,287,522). Direct income impacts (wages and salaries) from the construction of the Stateline Retail Center would be approximately \$5,526,935 (\$7,792,978), suggesting that wages and salaries for one person-year of construction employment is equal to \$24,784 (\$34,945). The indirect income impact was calculated by using the wages and salaries for one person-year of direct construction employment, which would be approximately \$24,784. Therefore, the income impact from the 100 indirect construction employees would result in an impact of \$2,478,400 (\$3,494,544).*

Comment 3.3-15 (AKRF, Letter #4, September 29, 2008): SECTION 3.3.3, "LONG TERM EMPLOYMENT" - 1. The text is unclear and inconsistent in defining the operational jobs as full versus part-time, leading to (at the end of the section) a potentially incorrect and over-stated estimate of the number of full-time direct and indirect jobs associated with the proposed project. The section starts by stating the proposed development would employ approximately "269 full and part time employees," without any estimate as to how many would be full-time and how many part-time. Based on the source data for Table 3.3-1, it appears that the 269 employees are, in fact, full-time-equivalent (FTE) jobs, meaning that the number of "full and part time employees" would be greater than 269. Nevertheless, the analysis goes on to recite a number of secondary employment multipliers that were applied to those 269 "full and part time employees" to arrive at, "... the total (direct and indirect) anticipated jobs projected from the Stateline Retail Center is 382 full time employees". This estimate may be accurate by virtue of the fact that the 269 amount is likely an FTE estimate, but if the 269 employees are full and part

¹³ Burchell, Robert W., David Listokin, et al., *Development Impact Assessment Handbook*. Washington, D.C.: ULI-the Urban Land Institute, 1994

time, then the 382 (direct and indirect) employees also would be full and part time, not all full time.

Response 3.3-15: To clarify, construction jobs are measured as full time equivalent (FTE) jobs. FTE jobs are those that consist of 2,000 labor hours per year.¹⁴ The Stateline Retail Center project would be expected to generate up to 223 person-years of construction employment or 223 FTE jobs. A secondary effect multiplier of 1.45 has been utilized to calculate the indirect construction employment for the Stateline Retail Center, resulting in a total (indirect and direct) of approximately 323 person-years of employment or 323 FTE jobs¹⁵.

Upon completion and full operation of the proposed project, long term employment for the Stateline Retail Center would be approximately 269 full and part time employees (direct labor). Like the projection of short-term construction employment, the method for estimating the additional jobs generated by those directly employed at the proposed development is through the use of employment multipliers where a multiplier of 1.45 would mean that each new primary job generates 0.45 additional jobs. In order to calculate the secondary employment impacts of the proposed development, a multiplier of 1.51 was used to calculate the secondary employment impacts for the General Merchandise portion of the proposed development resulting in 69 new long term job through secondary employment¹⁶. A multiplier of 1.14 was used to calculate the secondary employment impacts for the additional retail uses proposed (Miscellaneous store retail), resulting in 13 new long term jobs through secondary employment for this portion of the proposed development¹⁷. A multiplier of 1.69 was used to calculate the secondary employment impacts for the office uses proposed (All other miscellaneous professional and technical services), resulting in 31 new long term jobs through secondary employment for this portion of the proposed development.¹⁸ The total (direct and indirect) amount of full and part time jobs projected as a result of the Stateline Retail Center would be 382 full and part time employees.

Comment 3.3-16 (AKRF, Letter #4, September 29, 2008): SECTION 3.3.3, “LONG TERM EMPLOYMENT” - 2. It is unclear how IMPLAN was used in the analysis of potential secondary growth impacts. The text states, “Various resources and methodologies were used, including input from local economists, to assess the possible increase of housing demands, including affordable housing, resulting from the Proposed Action. Specifically, an impact analysis model was developed by TMA staff for the proposed development using IMPLAN (Impact Analysis for Planning) Pro Software. In general the IMPLAN model is an effective tool used to project various primary and secondary impacts from future (proposed) development including commercial development. However, due to the constant fluctuation of the housing market and other local economic factors, it was determined that this model and similar development impact analysis models are not configured to project local housing demands associated with jobs from the proposed commercial development. Furthermore, in a conversation between IMPLAN Software Developers and TMA Staff, it was determined that the modeling program did not

¹⁴ Burchell, Robert W., David Listokin, et al., *Development Impact Assessment Handbook*. Washington, D.C.: ULI-the Urban Land Institute, 1994

¹⁵ Source: Secondary effect multiplier - 2004 IMPLAN (Impact Analysis for Planning) data for Putnam County, New York

¹⁶ Source: Secondary effect multiplier for General Merchandise Retail Category - 2004 IMPLAN (Impact Analysis for Planning) data for Putnam County, New York - (134 direct employees multiplied by 0.51 results in 69 indirect employees)

¹⁷ Source: Secondary effect multiplier for Miscellaneous Store Retail Category- 2004 IMPLAN (Impact Analysis for Planning) data for Putnam County, New York (90 direct employees multiplied by 0.14 results in 13 indirect employees)

¹⁸ Source: Secondary effect multiplier for Miscellaneous Store Retail Category- 2004 IMPLAN (Impact Analysis for Planning) data for Putnam County, New York. (45 direct employees multiplied by 0.69 results in 31 indirect employees)

include local housing market data and other local economic data.” The initial portions of the above text suggests that the IMPLAN model was used, but that is followed by an explanation as to why it is not an appropriate model. Please clarify.

Response 3.3-16: *An impact analysis model was developed by TMA staff using IMPLAN to project the primary and secondary employment impacts (number of direct and indirect operational jobs) from the proposed development.*

IMPLAN was not utilized to project the local housing demands associated with the jobs projected from the proposed project because the modeling program does not include local housing market data and other local economic data.

Comment 3.3-17 (AKRF, Letter #4, September 29, 2008): SECTION 3.3.3, “LONG TERM EMPLOYMENT” - 3. The text appears to take conflicting/contradictory positions on whether employees would be expected to relocate for jobs in the unskilled or less skilled labor category. The text states, “This methodology was used with the assumption that employees do not generally relocate for jobs in the unskilled or less skilled labor categories. This is an important distinction that points to low growth inducing effects, in the opinion of the Applicant (i.e. Project will not significantly increase demand for low-income housing options).” Yet the analysis goes on to calculate the affordable housing threshold for a retail sales staff employee, and discusses at length whether there may be affordable housing options available to such an employee. If the assumption is that employees do not generally relocate for less skilled labor categories, why is there a need to discuss their relocation options?

Response 3.3-17: *The assumption was in fact that employees do not generally relocate for jobs in the unskilled or less skilled labor categories. The data presented in the DEIS supports that there are areas within commuting distance, either by automobile or public transit, that contain affordable housing resources to support the future labor force at the Stateline Retail Center should some employees decide to relocate. While the information above does not indicate an increase in the availability of affordable housing in the areas where the Stateline Retail Center workers would be likely to reside, it does indicate that there are affordable housing options for workers within reasonable commuting distance of the project site.*

Comment 3.3-18 (AKRF, Letter #4, September 29, 2008): SECTION 3.3.3, “LONG TERM EMPLOYMENT” - 4. The text cites several examples of areas within commuting distance that “contain affordable housing resources to support the future labor force at the Stateline Retail Center.” Yet there does not appear to be any mention of whether these areas have available (i.e., vacant for rent or sale) affordable housing. It is possible that the text alludes to this point in the following (confusing) statement: “While the information above does not indicate an increase in the availability of affordable housing in the areas where the Stateline Retail Center workers would be likely to reside, it does indicate that there are affordable housing options for workers within reasonable commuting distance of the project site.” Please clarify this statement in the FEIS by explicitly detailing potential availability, not just the existence, of affordable housing in the commuter-shed.

Response 3.3-18: *Section 3.3 of the Stateline Retail Center DEIS established the monthly housing cost for full-time retail sales staff at \$604 for a single person, not a household. A search of craigslist.org, apartments/housing for rent in the Hudson Valley produced 80 apartments available or recently offered in the \$600 to \$650 price range.*

Most of these units are within a reasonable commuting distance from the project site. A search of Fairfield County, Connecticut returned four listings in this price range and a search of Westchester County, New York, also returned four listings.

There are 88,000 unemployed persons living within commuting distance of the proposed development. These people are presently occupying some type of housing and would not require "vacant for rent or sale affordable housing". The sentence that the reader found confusing stated that affordable housing exists within a reasonable commuting distance of the project site.

Response to Comment 3.3-19 indicates that as of August, 2008, there was an available work force of 88,000 (unemployed) persons living within the six New York counties and one Connecticut county closest to the development site. With the availability of public transportation within Putnam County and connections to other transit systems (See Section 3.9 of the Stateline Retail Center DEIS), residents who wish to work at the proposed retail center should be able to access the proposed development.

The route operating closest to the proposed center is the Putnam County Area Rapid Transit (PART) Route 1 which also serves the Brewster Village Railroad Station. While the closest 'On-Call' stop on the PART Route 1 is presently one mile from the proposed development, routes and stops should be adjusted once the Center is open to provide public transit for both workers and shoppers.

Comment 3.3-19 (AKRF, Letter #4, September 29, 2008): SECTION 3.3.3, "LONG TERM EMPLOYMENT" - 5. The Scope states that the DEIS will indicate whether employees would be likely to relocate to the Town of Southeast or surrounding communities to fill jobs. The text could do more to directly address this relocation question. For example, the analysis could look at unemployment/underemployment in the area to determine whether the area contains an unutilized workforce that could staff the new retail without relocating. The commuter-shed is large enough to apply County-wide unemployment data by prior work experience.

Response 3.3-19: *Labor force, employment levels, unemployment levels and rates for Putnam County and five adjoining or nearby counties were researched to determine the available work force that might be utilized at the new retail facilities. The monthly data from January 2007 and August 2008 were analyzed to see the changes in employment and unemployment levels and the number of potential workers that might be attracted to the site. The data analyzed are from the website www.economagic.com. The counties considered in this analysis are Dutchess, Orange, Putnam, Rockland, Ulster, and Westchester in New York, and Fairfield County in Connecticut. Table 3.3-1 shows these statistics.*

The number of people unemployed in the seven county region increased by 23.5 percent in the 20 month period covered by this analysis. In January 2007, there were 67,539 persons unemployed. By August, 2008, this number had grown to 88,284, an increase of 20,745. For the region, unemployment increased from 4.3 percent to 5.4 percent. The labor force grew by 56,283 persons or 3.6 percent during this period.

The statistics indicate that there is an available work force in the seven counties surrounding the proposed development. Putnam County has the smallest labor force

and the lowest unemployment rate of the counties studied. However, as of August, 2008, there were 2,746 persons unemployed in Putnam County.

The commute from the surrounding counties is such that the proposed center could employ residents who would not have to relocate. The available work force of 88,000 persons within the seven counties represents a viable supply of employees for the retail facilities proposed at Stateline Retail Center to fill the available positions.

**Table 3.3-1
Employment/Unemployment Conditions
Six New York Counties and Fairfield County, Connecticut
January 2007 and August 2008**

County	Unemployment Rate		Number Unemployed		Labor Force		Number Employed	
	Jan 2007	Aug 2008	Jan 2007	Aug 2008	Jan 2007	Aug 2008	Jan 2007	Aug 2008
Dutchess	4.2%	5.3%	6,196	7,866	145,975	149,695	139,779	141,829
Orange	4.8%	5.6%	8,565	10,244	178,288	182,457	169,723	172,213
Putnam	3.7%	4.7%	2,070	2,746	56,099	58,138	54,029	55,392
Ulster	4.3%	5.2%	6,553	8,242	152,762	158,140	146,209	149,898
Rockland	4.6%	5.7%	4,224	5,275	90,880	92,727	86,656	87,452
Westchester	4.1%	5.1%	19,925	25,608	487,265	504,738	467,340	479,130
Fairfield, CT	4.3%	5.9%	20,006	28,303	462,133	483,790	442,127	455,487
Total	4.3%	5.4%	67,539	88,284	1,573,402	1,629,685	1,505,863	1,541,401

Prepared by: Tim Miller Associates, Inc., 2008, based upon data from economagic.com.

Comment 3.3-20 (AKRF, Letter #4, September 29, 2008): SECTION 3.3.3, “EXISTING TAX REVENUES” - 1. The first words in the section are, “The net annual property tax revenues...” Please clarify what the revenues are “net” of.

Response 3.3-20: The use of ‘net’ in this sentences was an error. The sentence should state “The annual property tax revenues . . .”

Comment 3.3-21 (AKRF, Letter #4, September 29, 2008): SECTION 3.3.3, “PROJECTED SALES TAX REVENUES GENERATED BY THE PROJECT” - 1. A 2002 study by JP Morgan Chase economist Marc Goloven showed that two thirds of Putnam County residents’ disposable income was not spent in Putnam County at the time of the DEIS study. The study could be referenced in the FEIS as it could provide information appropriate to a determination that project benefits outweigh any potential significant adverse impacts, and the analysis could note whether the statement is in line with the findings of the capture rate analysis.

Response 3.3-21: As noted in the above quote, Putnam County residents were spending two thirds (or 66 percent) of their disposable income outside the County in 2002 leaving 33 percent to be spent within the County. However, in the first half of 2008 (January to August), Putnam County residents slightly increased their spending within the County to approximately 40 percent of their disposable income.¹⁹ Putnam County residents continue to spend the majority of their disposable income outside of Putnam County leading to the relatively low levels of sales tax revenues received by the County, and the relatively high level of local property taxes.

¹⁹ Sources: Gross, Eric. “First six months of Putnam sales tax revenue soars.” *Putnam County Courier*. 7 August 2008 and Claritas, Inc (2008)

Comment 3.3-22 (AKRF, Letter #4, September 29, 2008): SECTION 3.3.4, “ECONOMIC IMPACT ANALYSIS” - 1. The rationale for a 15-mile upper boundary for the Primary Trade Area (north, west and south of the project site) should be clarified. The text references shopper surveys (included in Appendix C) which indicate that all shoppers at the retail stores surveyed traveled up to 10 miles; the only exception was within the sample of shoppers surveyed at the entrance to Trader Joe’s, from which 10 shoppers traveled 10+ miles. Trader Joe’s is a highly specialized grocery store with national brand recognition, and is not an entirely appropriate comparable for the proposed Stateline Retail Center. Nevertheless, even if Trader Joe’s is factored into the analysis, those 10+ mile travelers comprise less than 10 percent of the total shoppers surveyed. A primary trade area is the area from which new tenants of a proposed project could reasonably expect to draw a majority of their repeat customers. Shopping centers expect to draw 70 to 80 percent of their regular customers from a primary trade area. Therefore, the shopping survey data would indicate that a majority of repeat customers would be expected to reside within a 10-mile area of the proposed project. The first sentence of the section reads, “The Primary Trade Area is the geographic area from which most of the potential customers of the proposed Stateline Retail Center are likely to come.”

Response 3.3-22: *The baseline for the Primary Trade Area used to analyze and estimate demand and supply of retail store sales was the six town area identified in the DEIS. This area was then modified based on the common trade area definition, the size of the surrounding area from which customers are expected to originate, as well as the location of significant existing competition, the location of the surrounding population and determination of areas with an excess or deficit of stores compared with potential sales.*

Initially, the Primary Trade Area was defined in the analysis by town boundaries rather than an arc surrounding the subject site because the most accurate social and economic data available is that of the U.S. Census Bureau, which delineates its data by town boundary. Private data sources (e.g., Claritas and ESRI) can provide estimates for areas defined by boundaries other than municipal borders (i.e. a portion of a single town or an area that crosses town lines). However, these data are the result of estimates that are themselves extrapolated from Census data and are subject to substantial error. It was decided, therefore, to rely largely on the more accurate town data provided by the U.S. Census Bureau.

The comment requests that the rationale for the 15 mile upper boundary for the Primary Trade Area (PTA) be provided. As noted above, the PTA is defined on the basis of town boundaries. For example, the Town of Pawling extends beyond 15 miles from the Stateline Shopping Center site but is part of the PTA while both Kent and Danbury are within the 15 mile radius but are not included in the PTA. The inclusion of Pawling and omission of Kent and Danbury were based on information and data gathered during the surveys conducted. This information and data show Pawling and its immediate neighborhood has a paucity of potentially competitive shopping centers while Danbury and Kent include, and are adjacent to, areas with substantial shopping opportunities. The market study presented in the DEIS provides additional information regarding the potential market for the Stateline Retail Center.

It is important to note that the survey at the Danbury Green Shopping Center showed that customers did travel distances greater than 10 miles. This material, along with that collected on demographics, retail competition and traveling times and distances was

used in determining the PTA that extends from the project site beyond 15 miles in certain directions.

Comment 3.3-23 (AKRF, Letter #4, September 29, 2008): SECTION 3.3.4, "ECONOMIC IMPACT ANALYSIS" - 2. Please provide the additional rationale in the FEIS for the inclusion/exclusion of the following areas in the delineation of the primary trade area for the proposed project:

- a. Given the differences in proximity to major roadways in suburban areas, portions of Kent and East Fishkill (located outside the primary trade area) are a closer drive time to the project site compared to the Town of Pawling (inside the primary trade area).
- b. Portions of Somers (within the primary trade area) are in close proximity to Yorktown Heights, which contains numerous big box retail offerings (including a Target) that are directly competitive with the proposed Stateline Retail Center. Similarly, many residents of Carmel are closer to Cortlandt Town Center in Mohegan Lake (on Route 6). The proposed Stateline Retail Center is unlikely to capture sales from residents in the western portion of these towns. The planned Putnam Shopping Plaza in Carmel also may influence the determination of whether to include Carmel in the Primary Trade Area.

Response 3.3-23: *The boundaries of the PTA were based on the totality of the common definition of the PTA (which is the major area of sales and distribution for a product or service), the surveys taken, distance from the site, and the location of the competition.*

a. *Although drive time was considered in the analysis that led to the determination of the PTA, this was but one aspect of the determination. The portions of Kent and East Fishkill referred to in the comment, while closer to the proposed retail center than Pawling, are well served by existing competitor stores and shopping centers. Pawling, on the other hand, while further from the proposed project, exhibits limited shopping opportunities. Thus the inclusion of Pawling and the omission of Kent and East Fishkill from the PTA.*

b. *The analysis was dependent upon data provided by the U.S. Census Bureau because this is the most accurate data available. The smallest Census data set and most representative sample is that available at the municipal level; the Census Bureau has not provided data for portions of towns. Because the most accurate data available would require the inclusion or exclusion of whole towns, the PTA was constructed using towns and not portions of thereof. Inclusion or exclusion of individual towns, therefore, was dependent on the decision as to whether individual towns are, or are not, likely to provide a significant customer base for the Stateline Retail Center. Based on the overall data, it was judged that significant portions of the Towns of Somers and Carmel would be a source of considerable numbers of customers of the Stateline Retail Center, although portions of these Towns would not.*

Private sector data providers utilize census data that is updated with "local" information. This data and information is then used as the basis for estimating demographics et. al. for areas smaller than the Census town boundary data blocks or for areas that cut across town boundaries. Although such private estimates are more up to date than Census data, these estimates are subject to greater error than are the original Census data. Recognizing imperfections both in utilizing census data and in utilizing private

provider's data, and in order to provide full information to the reader, the analysis was based on data from the latest census which was supplemented by data from private data providers.

Comment 3.3-24 (AKRF, Letter #4, September 29, 2008): SECTION 3.3.4, "PROFILE OF EXISTING COMPETITION IN PRIMARY TRADE AREA" - 1. The text states that there is no direct competition facing the stores likely to tenant the Stateline Retail Center within a five-mile radius. A five-mile radius of the project site captures most of the Town of Southeast, and Claritas data in Appendix C indicates that in Southeast, there are \$21.7 million in sales at General Merchandise Stores, and \$9.9 million in Furniture and Home Furnishing Stores (capturing 99 percent of Southeast's expenditure potential for that retail category). While there may be no comparable "big box" retailers within a five-mile radius, these are substantial sales that would indicate potentially competitive retail offerings. The FEIS should examine whether there are home furnishings store(s) in Southeast that serve as the anchor for a retail strip. If such businesses exist, and if they were to lose business and possibly even go out of business, that loss could be critical to an entire retail strip.

Response 3.3-24: *A survey was conducted on September 24, 2008 to identify business types located within a five mile radius of the project site and to confirm the DEIS statement that within a five-mile radius there is no direct competition facing the stores likely to tenant the Stateline Retail Center. The main business clusters within this five mile radius are located in the Village of Brewster, including Main Street, and the main shopping strip located along New York State (NYS) Route 22 (going north from US Route 6 and Brewster). The "business type" survey completed in September 2008 confirms that the findings of the DEIS are accurate.*

The following is a bulleted list of the location and business types within these areas:

- *US Route 6 west of the project site (going towards Brewster, NY): retail (donuts), medical services, veterinarian, auto repair, tools, pet grooming.*
- *North Main Street, Brewster, NY: gas stations, minimarts, real estate office, hair salon, insurance, dog salon, copy center, auto parts, cleaners, pharmacy, restaurants, fencing, ice cream, and vacuum cleaner repair.*
- *Main Street (US Route 6), Brewster, NY: general offices, storage, electric services dental services, communications, answering service, tanning, nails/spa, deli, small grocery, adult entertainment, attorney offices, iron works, small fruit market, gift shop, laundromat, a very small down-scale apparel shop, movie house, beauty supplies, thrift shop, courier, barber, travel office, bank, flower shop, child care facilities, liquor store, copy/fax services, camera/photo shop, pet grooming, taxi services, billiards, bakery, nursing services, CPA office and a small super market.*
- *NYS Route 22 (North of Route 6): auto service stations, gas station, restaurants, inn/motel, several small office parks.*
- *NYS Route 22 (Approximately four miles from the Stateline property): A moderate sized strip mall (County Plaza) was identified. The stores located in this mall would not be considered anchor stores by product range nor by size. However, the mall includes a large A & P grocery store, pizza place, cell phone store, MRI center, a karate studio, a tutoring center, child care, a gym, a small boutique, a dollar store, a pharmacy, veterinary services, cleaners, liquor store, bank, jewelers, nail salon,*

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laundry place, ice cream store, feed store, mattress store, hair salon, swimming school, United Parcel Service (UPS) store, flooring services, video and bagel shop, a "Subway" restaurant, liquor store and cleaners.

- *NYS Route 22 (Approximately four miles from the Stateline property): Clocktower Commons (Plaza): a restaurant (grill), law office, telecommunications office, medical office, framing studio, dentist office, tanning and hair salon.*
- *NYS Route 22 (Approximately four to five miles from the Stateline Property): florist, masonry, car wash, miniature golf, gas station burgers, car rental, computer repair, backyard pool sales, ski equipment, motel, hardware, beer and soda shop, pizza, cleaners, retail (donuts), hair salon, physical therapy, nutritionist.*
- *NYS Route 22 (Approximately five miles from the Stateline Property): The Towne Center (strip mall) does not include an anchor store based on size and product range). However, there is a "Value Village" (a discount store) on the south end of the mall that carries cards, porch and patio furnishings, bath accessories, lighting, housewares, hosiery, cosmetics, a limited range of low end apparel, pharmacy, and had an extensive range of Halloween costumes when visited in late September. The "Towne Center" strip mall also includes a café, credit union, liquor store pizza, burgers, nails, hair salon, cleaners, a Community Services center, restaurants, deli, tax preparation office, locksmith, laundry, car wash, telecommunications, pastry, physical rehabilitation, medical management, dentist, disabilities services.*

Further, the findings of the survey conclude that little, if any sales of "Furniture and Home Furnishings" are located within a five miles radius of the project site. There is no saturation of sales within this radius of shopping areas north and west of the Stateline site, according to the project economist, George Roniger.

Lastly, the "Department and Other Stores" category is the main category of interest for this analysis. The 2006 Claritas estimates suggest that there is a large unmet demand (sales) in this category for the Town of Southeast. Existing sales of "Department and Other Stores" in Southeast cover just over half of the demand of residents and the subcategory of "General Merchandise Stores" covers just under half of the demand. The smaller subcategory of "Furniture and Home Furnishings" is not of great significance, since its is an estimated 11 percent of the main category of interest here.

Comment 3.3-25 (AKRF, Letter #4, September 29, 2008): SECTION 3.3.4, "ECONOMIC IMPACTS OF THE PROPOSED STATELINE RETAIL CENTER ON THE PRIMARY TRADE AREA" - 1. The quantified discussion regarding amounts of "exported" consumer expending that would be captured by the proposed project should be supplemented with a table that illustrates/summarizes the study's calculations. The discussion is highly quantitative, and the logic of arguments is difficult to follow without a table that walks a reader through the numbers.

Response 3.3-25: The table requested is below.

Table 3.3-2 Summary of Study Calculations	
1. Exports of department store sales from PTA: 2006	\$367.5 mill. ^{1/}
2. Exports of department store sales from PTA: 2008	\$407.9 mill. ^{2/}
3. Space required to capture all dept. store exports: 2008	1.3 mill. s.f. ^{3/}
4. Space required to capture 75% of dept. store exports	968 thous. s.f. ^{4/}
5. Proposed space in planned shopping centers ^{5/}	604.9 s.f.
6. Percent of current exports estimated to be captured by planned shopping centers	47% ^{6/}
7. Assuming that only 75% of current exports is available to be captured, percent of current exports available to be captured estimated to be captured by planned shopping centers.	62% ^{7/}

^{1/} Exhibit 4.

^{2/} 2006 exports plus estimated increase of purchasing power of 11% between 2006 and 2008.

^{3/} Estimated 2008 exports divided by estimated sales of \$316 per s.f. as described in text.

^{4/} 75% of 1.3 mill. s.f. as in line 3 above.

^{5/} Stateline Center, Patterson Crossing and Peach Lake Commons.

^{6/} Proposed space in planned shopping centers (line 5) divided by space required to capture all exports (line 3).

^{7/} Proposed space in planned shopping center (line 5) divided by space required to capture 75% of exports (line 4).

Comment 3.3-26 (AKRF, Letter #4, September 29, 2008): SECTION 3.3.4, "ECONOMIC IMPACTS OF THE PROPOSED STATELINE RETAIL CENTER ON THE TOWN OF SOUTHEAST" - 1. The analysis points out that there is no direct competition to the proposed Stateline Retail Center in the form of national, large-format stores. However, the analysis does not adequately consider whether any of the retail concentrations within the Town of Southeast have anchor stores with appreciable overlap in terms of retail offerings. Competition is based in part on the types of retail goods and services offered, not just the relative size of the stores or name recognition. For example, the analysis should consider retail concentrations along Route 22 and in the Village of Brewster.

Response 3.3-26: The estimate of retail sales in Southeast of department and other stores totaling \$49.6 million, as shown in the analysis, includes estimates of sales of general merchandise stores and also clothing and clothing accessories stores, furniture and home furnishings stores, electronics and appliance stores, sporting goods, hobby, book, and music stores and also office supplies, stationery and gift stores. This total includes estimated sales by stores in retail concentrations along Route 22 and in the Village of Brewster. The total of such estimated sales, including those of small stores, was then compared in the analysis with the estimate for total purchases of relevant goods by residents of the Town of Southeast.

Comment 3.3-27 (AKRF, Letter #4, September 29, 2008): SECTION 3.3.4, "ECONOMIC IMPACTS OF THE PROPOSED STATELINE RETAIL CENTER ON THE TOWN OF SOUTHEAST" - 2. The text indicates that there is a significant level of retail purchases by the residents of Southeast that is not satisfied by the retail outlets in the Town of Southeast. However, the Claritas data in Appendix C shows that stores in the town are capturing 99 percent of the expenditure potential of the Town's residents within the "Furniture and Home Furnishings Stores" retail category. The proposed Stateline Retail Center includes a

35,000-square-foot home goods store. The analysis should identify what stores are generating the \$9.9 million in sales for this category, and whether any of those stores serve as an anchor for the retail concentration in which they are positioned. The statement, "...evidence suggests that the Center would mostly fill part of an existing retail gap in the Town as well as its primary Trade Area, rather than create an oversupply of the type of facility that is proposed" should be re-visited in light of this comment.

Response 3.3-27: *The conclusion that there is a significant level of retail purchases by the residents of Southeast that is not satisfied by the retail outlets in the Town of Southeast was revisited. A survey to identify retail establishments in Southeast was conducted in response to Comment 3.3-27 regarding furniture and home furnishings. Stores observed during the survey that provide items in this category include a mattress store and flooring services at County Plaza, a framing studio at Clocktower Commons, and porch and patio furnishings, bath accessories, lighting, picture frames, etc. at Value Village in the Towne Center. The Value Village store serves as an anchor store in the Towne Center shopping center.*

Claritas identifies the following stores in the neighborhood of Brewster that are included in the definition of furniture and home furnishing stores.

- *Creative Designs on Sodom Road specializing in cabinets.*
- *Design Studios on North Main specializing in cabinets.*
- *G & A Custom Counter Tops, Inc. on Allview Ave. specializing in custom furniture and cabinets.*
- *Kitchen Warehouse Inc. on North Main St. specializing in cabinets.*

Several conclusions are appropriately reached regarding the category of furniture and home furnishings on the basis of evidence provided in the DEIS and supplementary evidence provided here. One is that there are substantial overall sales within this category in the Town of Southeast related to the overall estimated demand. The evidence suggests also that overall supply of retail outlets in this category is deficient in the Primary Trade Area as a whole. Finally, it is clear that a substantial portion of the available product within this category in Southeast is concentrated in one small sector of the overall category, i.e., cabinets, suggesting that there may yet remain a significant level of unsatisfied demand in other subcategories of furniture and home furnishings.

Comment 3.3-28 (AKRF, Letter #4, September 29, 2008): SECTION 3.3.4, "ECONOMIC IMPACTS OF THE PROPOSED STATELINE RETAIL CENTER ON THE TOWN OF SOUTHEAST" - 3. The text states, "Furthermore, it is expected that the unique facility proposed in this area would bring in shoppers from beyond the defined 15-mile primary trade area." The analysis has already established that the proposed retail offerings are "unique" only to a roughly 5-mile radius of the project site. In addition, a primary trade area, by definition, does not capture the area in which all shoppers reside.

Response 3.3-28: *The comment is similar to Comment 3.3-22; please refer to Response 3.3-22.*



Figure 3.3-1: Route 52 Visual Conditions With Existing Vacant Lake Carmel Hardware Store Building
Stateline Retail Center
Town of Southeast, Putnam County, New York
Source: TMA Photo, 3/08/07

