

3.9.8 Fiscal Analysis Comments and Responses

Comment 3.9-1 (Letter 4, CT Male Associates, July 1, 2010): Full Build Scenario Seasonal Resident Calculation (p. 3.10-2): According to the 2000 U.S. Census, approximately 152 of the 500 total housing units in the Town of Forestburgh are listed as “seasonal” resulting in approximately 30% of the housing units in the Town being dedicated to “seasonal use.” The Applicant also states that at their Eagle Rock Resort in Pennsylvania, approximately 57% of the housing units are seasonal, and further states that it may be likely that 57% of the units proposed for Lost Lake have the potential to be seasonal. If the 30% of the units are seasonal, consistent with the existing mix in the Town, then what would be the tax revenue implications (i.e., less tax revenue) that would result?

Response 3.9-1: *The demographics of the proposed project at Lost Lake will be more consistent with the Eagle Rock Resort than the existing demographics of the Town of Forestburgh since the Eagle Rock model is exactly what is proposed in Forestburgh, thus the future usage of the Lost Lake Resort is better predicted by looking at the usage of Eagle Rock than by the current seasonal use of residences in Forestburgh. Notwithstanding the foregoing, the future condition at Full Build-out with only 30 percent of the units occupied by seasonal users was evaluated. Tax revenues generated as a result of construction of the Full Build Scenario would remain exactly the same: \$4,837,891 taxes generated to the Town of Forestburgh, which represents an increase of \$4,813,030 over existing tax revenue. Similarly, the Full Build Scenario is estimated to generate \$11,992,023 to the Monticello School District, an increase of \$11,930,397 over existing revenue.*

The factor that would change if only 30 percent of the units were used seasonally, compared to the 57 percent discussed in the DEIS, is the per capita cost to the School District. The estimated school age population anticipated to attend the Monticello schools would increase to 1,056 students. As discussed in the DEIS, the per student cost is estimated at \$9,020, resulting in a cost to the school district of \$9,525,120 compared to school tax revenue of \$11,992,023, thus the school district would receive a net benefit of \$2,466,903. Although this is a reduction from the \$6,147,063 net benefit projected in the DEIS, the net benefit to the school district remains significant.

The Town of Forestburgh 2009 Town Budget is a total of \$1,816,144, of which 66 percent or approximately \$1,198,655 is allocated to the Town Highway Department. The remainder of approximately \$617,500 covers all other municipal expenses, of which 54 percent is raised by tax levy. With a population of 871 persons, the per capita cost for municipal services, excluding highway maintenance, to be raised by tax levy is approximately \$383 per person. If only 30 percent of the units at Lost Lake Resort were used seasonally, compared to the 57 percent discussed in the DEIS, the year round Town population would increase to 5,396 persons. Since the project as proposed includes private roads and self-contained recreational facilities to meet the needs of the residents of Lost Lake Resort without placing demand on existing highway-related services of the Town, the per capita cost of \$383 is a valid multiplier. The resulting cost to the Town is estimated to be \$2,066,668 compared to projected tax revenue of \$4,837,891, thus the Town would receive a net benefit of \$2,771,223. Overall, the low-impact nature of the proposed resort community will result in a development that can be expected to more than cover its costs.