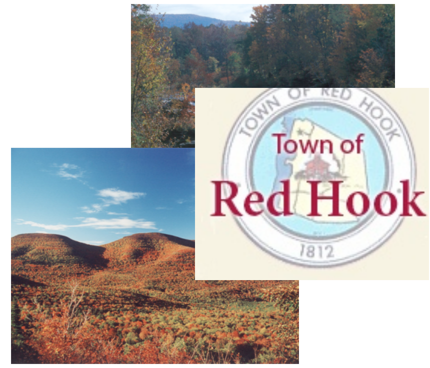

Fiscal Impact Analysis of Proposed Zoning Changes in the Town of Red Hook, NY

Prepared By

Fairweather Consulting

FINAL REPORT – VERSION 1.1

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Table of Contents

Introduction

Fairweather Consulting, based in New Paltz, New York, has prepared this fiscal impact analysis to asses the cost and benefit to the Town of Red Hook and the Red Hook Central School District of build-out of the Town's current zoning, the proposed "Centers and Greenspaces" amendments (the "proposed action"), and the alternatives outlined in the Scoping Document. Fairweather Consulting has significant experience conducting similar fiscal impact analyses, both for developers and for the communities in which development will occur.

In the following sections, this report describes the potential fiscal impact of each of the zoning alternatives developed by the Town of Red Hook. Fairweather Consulting collected the data required to conduct the fiscal impact analysis from a variety of sources, including the US Census Bureau, the Center for Urban Policy Research at Rutgers University, the offices of the Town Clerk and Town Assessor in Red Hook, NY, the Dutchess County Real Property Services, the New York State Office of Real Property Services, RSMeans CostWorks, and Central Hudson Electric and Gas.

Objectives of the Fiscal Impact Analysis

The purpose of the fiscal impact analysis conducted by Fairweather Consulting is to provide estimates of the comparative costs and benefits of several zoning amendments under consideration by the Town of Red Hook. Fiscal impact analyses take into consideration a variety of factors, such as increases in population and changes to property values, to develop an estimate of future costs and revenues due to development under a particular zoning alternative. By analyzing the current zoning, the proposed action, and variations to the proposed action, this analysis allows comparisons based on the impact that each option is expected to have on the fiscal situation of the Town of Red Hook and the Red Hook Central School District.

This analysis looks at the fiscal impact of build out under the following alternatives:

1. Current Zoning
2. Proposed Action
3. Alternatives to the Proposed Action outlined in the Final Scoping Document

For each option, the analysis includes a review of the costs and revenues associated with new development for the Town of Red Hook and the Red Hook Central School District (RHCSD). For the town, the analysis reviews the impact of new costs and revenues on the town's Townwide (Town) funds (including the General or Fund A budget) and the town's Outside (TOV) Funds (including the General or Fund B budget and the Highway or Fund DB budget).

Methodology

Several approaches are often used to assess the fiscal impact of proposed zoning changes. The most popular approach is a *Per Capita* multiplier calculation, which reduces the affected municipalities' and districts' current expenditures to an annual cost per person for residential development. In a similar manner, the cost impacts of non-residential development typically utilize some other multiplier, such as cost per employee, per square foot of space, or per acre. These multipliers describe the annual cost of all of the various services that each resident or non-residential unit consumes, on average.

In the case of the school district, the process is similar; we translate the portion of the school's budget raised through local taxes to an annual cost multiplier per student, rather than per resident. The underlying assumption in the *Per Capita* multiplier approach to assessing a project's fiscal impact is that once these multipliers are known, they can be applied to the new residents, students, and non-residential uses that are expected under a particular zoning regime as a way of estimating the additional expenditures caused by that zoning regime.

Note that this fiscal impact analysis does not estimate the cost of capital improvements that may be required due to growth from new residents and school-children, though our model shows that a significant increase in school-children is expected, especially under the current zoning. While this demographic trend may be at variance with estimates developed by the school district, the reason for any discrepancy lies in the differing methodologies used. Our methodology looks at population added by new residents, while most school population projections study endogenous growth of the existing population.

Coupled with the *Per Capita* approach for estimating future municipal costs associated with development, our modeling approach uses estimated values for new development to determine how new development will affect the tax base of the affected jurisdictions. This approach focuses on the direct revenues generated by new development, in the form of property taxes. While arguments may be made that new development precipitates other economic benefits for a community, these indirect benefits are beyond the scope of most fiscal analyses.

Included in our analysis is a review of potential new costs and revenues associated with the proposed conservation development option for the AB District and the proposed open space incentive zoning provisions. These zoning proposals would affect the overall fiscal impact by adding certain new revenues (from incentive zoning payments received) as well as certain new costs (from purchase of development rights).

Key Assumptions

Our analysis is highly contingent on several assumptions, and as such, any alteration or modification of these assumptions may affect the results of the analysis. The primary assumptions are derived from GREENPLAN's build out analysis. The build out analysis identifies the quantity and type of development that would occur under each of the zoning alternatives. The following table summarizes the development estimates of each alternative, as provided by GREENPLAN:

Table 1 – Summary of Build Out Analysis

Alternative	New Dwelling Units	Development Rights	New Commercial Units (SF)
Current Zoning (Alternative A)	3,588**	-	-
Proposed Action*	1,388***	441	320,000
Alternative B(a)*	1,388***	186	320,000
Alternative B(b)*	1,388***	129	320,000
Alternative C*	1,388***	531	320,000
Alternative D(a)*	1,420***	441	320,000
Alternative D(b)*	1,603***	441	320,000
Alternative E*	1,321***	441	320,000
Alternative F*	1,213***	441	320,000
Alternative G	1,197***	882	320,000
Alternative H*	1,554****	441	320,000
Alternative I*	1,131**	441	180,000
** Assumes that in the proposed AB District, development rights would be sold from 50% of lands under the "conservation option," and that 50% of lands would be developed under the "limited development option."*			
*** All single family units.*			
**** Includes 74 townhouses and 74 duplex/apartment units. The remaining units are single family.*			
***** Includes 146 townhouses and 97 duplex/apartment units. The remaining units are single family.*			

Several additional assumptions are required in order to assess the impact that these levels of development will have on the affected jurisdictions. These assumptions are identified below.

Population and Demographics

In order to estimate the *Per Capita* costs of services provided by the affected jurisdictions, Fairweather Consulting first looked to data from the US Census for population estimates for the Town of Red Hook. Our analysis is based on data from 2008, which indicate that the total population of the town was 11,471. Subtracting the population residing in the villages of Red Hook and Tivoli, the population of the unincorporated portion of the town (TOV) was 8,455.

The *Per Capita* approach requires us to estimate the number of new residents that are likely to be added to the town's population in each zoning alternative, as well as the number of new students that are likely to attend the RHCSD. Our experience suggests that the most accurate estimates can be derived from a study conducted in 2006 by Rutgers University's Center for Urban Policy Research, which are provided in table 2 below This study provides localized estimates of the number of residents and students per housing unit for areas of New York State.

Housing Characteristics

To further refine the estimates used for this important input to our analysis, we reviewed Census data to determine the average size of housing units in the Red Hook area, which helps to determine the appropriate resident and student multipliers. The table below shows the results of our analysis of housing-unit sizes in the Red Hook area, by housing type, as well as the corresponding resident and student multipliers from the Rutgers study.

Table 2 – Housing Unit Size/Type, Population Multiplier and Student Multiplier for TOV and Village Areas

Housing Unit Size/Type	Percentage of Existing Units (TOV area)	Percentage of Existing Units (Villages)	Population Multiplier**	Student Multiplier**
Single Family Homes				
2BR	24.10%	47.48%	2.31	0.3
3BR	49.03%	38.41%	3.06	0.71
4BR	20.68%	9.95%	3.76	1.16
5BR	6.20%	4.16%	4.52	1.58
Townhomes				
2BR	*	47.48%	2.16	0.22
3BR	*	38.41%	3.08	0.62
4BR	*	14.11%	3.83	1.19
Duplexes/Apartments				
1BR	*	20.15%	2.2	0.3
2BR	*	27.33%	2.58	0.49
3BR	*	52.52%	3.73	1.04
** Based on Census data and recent sales, substantially all of the housing units in the TOV area are Single Family Detached Homes.*				
** Source: Rutgers University Center for Urban Policy Research*				

To assess the impact of each zoning scenario on property tax revenues, our analysis relies on estimates of the median value for households in the study area. Though the zoning alternatives being considered do not directly affect development inside the town's two villages, we have identified the median value for households in the TOV area, as well as the villages.

It is assumed that units developed according to the proposed TND guidelines would be qualitatively different from typical development in the town's unincorporated areas, and as such median values from the village areas are a more appropriate proxy for the values of these units. Our assumed values are presented within our analysis of each zoning alternative.

Conservation Option

Several of the proposed zoning changes involve a conservation option for parcels in the AB District. The conservation option involves "Purchase of Development Rights" (PDR), whereby property owners in the AB District may choose to sell their development rights, receiving a one-time payment, and permanently limit development on their parcels. This mechanism is designed to transfer development density from "greenspaces" to "centers" of development in the town. From a fiscal perspective, PDR entails a cost as it purchases the development rights offered for sale by property owners in the AB District. Our analysis assumes that development rights would be purchased at a cost of $6,000 per acre. The number of units purchased varies for each of the zoning alternatives analyzed by GREENPLAN, and is summarized in table 1 above.

Incentive Zoning

In addition to the conservation option, some of the proposed alternatives involve an incentive zoning scheme, which permits additional development in the TND District in return for developers' compliance with certain zoning regulations, including a fee for added building potential. Typically, the payments received through incentive zoning fees are used to offset the cost of development rights, facilitating the shift of density from "greenspaces" to "centers." From a fiscal perspective, the fees collected through incentive zoning represent added revenues to the town. Our analysis assumes that each additional unit of permitted density would cost developers $20,000. Since the number of units permitted varies under each zoning alternative, the total revenues generated by incentive zoning also vary for each zoning alternative. Our assumptions regarding the number of units permitted through incentive zoning are presented within the sections on each alternative.

Other Assumptions

The following table summarizes several additional assumptions that influence the results of the fiscal analysis.

1. This analysis does not include special improvement districts in the town, such as the Sewer and Water Districts, since those districts' revenues are driven by user charges, not property taxes.
2. Since the purpose of this fiscal impact analysis is to estimate the current value of the future benefits and costs of the zoning alternatives, and under the conservative assumption that inflation will affect municipal costs and tax revenues equally, all dollar values presented in this report are in current constant dollars (i.e. not adjusted for inflation).
3. State aid to the local school district is assumed to remain constant at current levels, regardless of any change to assessed value of property (i.e. ratables) within the district or the addition of new pupils to the district.

Results of the Fiscal Impact Analysis

The results of our analysis are presented in this section. First, we have presented a summary of the results for each of the zoning alternatives. Each summary comprises two parts. First, we provide a description of the build out analysis for the zoning alternative, including the number, type, and size of units and the total value of new units. Second, we provide the impact of the alternative, including the number of residents and school children added, the affect of this growth on town and school district costs, and the added revenue derived from property taxes. Where applicable, we also describe any impact of PDR payments and incentive zoning revenues.

Following the summary of the alternatives, we provide a comparative analysis that shows how each of the factors listed above varies based on the differences in the build out analysis for each alternative.

Current Zoning (Alternative A)

Under the current zoning regulations, GREENPLAN's analysis indicates that 3,588 new single family dwelling units could be developed as-of-right in the town. Since current zoning does not include the conservation option, no development rights would need to be purchased. However, current zoning also lacks provisions for incentive zoning, meaning no incentive payments would be received. Any development rights the Town was interested in purchasing would need to be funded through the Town's PDR program or CPA funds.

Our analysis of the current mix of housing sizes in the Red Hook area suggests the following break-up of the total expected new single family units.

Table 3 – Break-up Of Total Dwelling Units by Size (Alternative A: Current Zoning)

Housing Unit Size/Type	Percentage of New Units	Number of Dwelling Units	Median Value	Total Value of Units
Study Area A (ABD)		**1,420**	**$306,565***	**$435,322,502**
2BR Single Family	24.10%	342.16		
3BR Single Family	49.03%	696.17		
4BR Single Family	20.68%	293.60		
5BR Single Family	6.20%	88.08		
Study Area B (TND)		**92**	**$306,565***	**$22,106,796**
2BR Single Family	24.10%	22.17		
3BR Single Family	49.03%	45.10		
4BR Single Family	20.68%	19.02		
5BR Single Family	6.20%	5.71		
Study Area C (Remaining R1 & R1.5)		**1,037**	**$306,565***	**$317,908,053**
2BR Single Family	24.10%	249.87		
3BR Single Family	49.03%	508.40		
4BR Single Family	20.68%	214.41		
5BR Single Family	6.20%	64.32		
Study Area D (Balance of TOV)		**1,037**	**$306,565***	**$318,521,183**
2BR Single Family	24.10%	250.35		
3BR Single Family	49.03%	509.38		
4BR Single Family	20.68%	214.82		
5BR Single Family	6.20%	64.45		

** Median value for homes in the TOV area, based on sales data from 2005 – 2010.*

Since the current zoning includes no increase in commercial development (as included in the proposed TND), no new commercial development is included in the analysis of this alternative.

Given these build out figures, and based on the population and student multipliers cited in Table 1, we estimate that the total number of new residents under current zoning would be 11,089. Our estimates also suggest that the current zoning allows for an additional 2,479 school children upon build out. The following table provides a detailed account of these estimates.

Table 4 – Detailed Estimates of New Residents and School Children (Alternative A: Current Zoning)

Housing Unit Size/Type	Percentage of New Units	Number of Dwelling Units	New Residents Added	New School Children Added
Study Area A (ABD)		**1,420**	**4,389**	**981**
2BR Single Family	24.10%	342.16	810.9	85.5
3BR Single Family	49.03%	696.17	2053.7	403.8
4BR Single Family	20.68%	293.60	1098.1	337.6
5BR Single Family	6.20%	88.08	426.3	154.1
Study Area B (TND)		**92**	**284**	**64**
2BR Single Family	24.10%	22.17	52.5	5.5
3BR Single Family	49.03%	45.10	133	26.1
4BR Single Family	20.68%	19.02	71.1	21.9
5BR Single Family	6.20%	5.71	27.6	10
Study Area C (Remaining R1 & R1.5)		**1,037**	**3,205**	**716**
2BR Single Family	24.10%	249.87	592.2	62.5
3BR Single Family	49.03%	508.40	1499.8	294.9
4BR Single Family	20.68%	214.41	801.9	246.6
5BR Single Family	6.20%	64.32	311.3	112.6
Study Area D (Balance of TOV)		**1,037**	**3,211**	**718**
2BR Single Family	24.10%	250.35	593.3	62.6
3BR Single Family	49.03%	509.38	1502.7	295.4
4BR Single Family	20.68%	214.82	803.4	247
5BR Single Family	6.20%	64.45	311.9	112.8
** Median value for homes in the TOV area, based on sales data from 2005 – 2010.*				

These are substantial increases, which more than double the current town population and RHCSD enrollment. As such, these large population increases drive large increases in the costs of providing local government and education services to the community. Based on current *Per Capita* expenditures, the new residents added to the town's population upon build out under current zoning would increase the town's Townwide (general budget) appropriations by $855,766, and the town's TOV (general and highway budgets) appropriations by $1,188,316. The addition of new school children under this scenario would increase school district appropriations by approximately $28,839,930, using current per-pupil estimates.

These new costs, however, are partially offset by the additional property tax revenues driven by the town's residential growth. In our estimate, under the current zoning, the added value of new housing units would drive an increase of $805,821 in the town's Townwide (general budget) revenues and $1,128,261 in the town's TOV (general and highway) budget. Property taxes on the new units would generate an estimated $17,340,946 in revenues for the RHCSD.

In net terms, the balance of costs for each jurisdiction (Townwide, TOV, and RHCSD) exceeds new revenues, as outlined in the summary table below.

Table 5 – Net Fiscal Impact (Alternative A: Current Zoning)

Municipality/ District	New Approps.	Prch of Dev Rights	New Prop. Tax Revs.	Other Revs.	Net Fiscal Impact
Townwide	$(855,766)	$-	$805,821	$-	$(49,945)
TOV	$(1,188,316)	$-	$1,128,261	$-	$(60,054)
RHCSD	$(28,839,930)	$-	$17,340,946	$-	$(11,498,983)
Total Fiscal Impact					**$(11,608,983)**

Proposed Action

As indicated by GREENPLAN's build out analysis, the proposed zoning amendments would dramatically reduce the number of new dwelling units that could be developed within the town. Under the proposed action, GREENPLAN's analysis indicates that 1,388 new dwelling units could be developed, of which 74 would be townhomes and 74 would be duplex/apartment units. In addition, the proposed action permits an increase in commercial development in the TND area, creating the potential for 140,000 square feet of new commercial space in the Commercial Center of the TND District, and an additional 180,000 square feet of hotel and light industrial uses in the Office-Industrial area. The proposed zoning also includes conservation and limited development options to promote "greenspaces" and "centers," which also entails payment for PDRs and receipt of fees from incentive zoning.

Our analysis of the current mix of housing sizes in the Red Hook area suggests the following break-up of the total expected dwelling units under the proposed action.

Table 6 – Break-up Of Total Dwelling Units by Size (Proposed Action)

Housing Unit Size/Type	Percentage of New Units	Number of Dwelling Units	Median Value	Total Value of Units
Study Area A (ABD)		**297**	**$306,565***	**$91,049,847**
2BR Single Family	24.10%	71.56		
3BR Single Family	49.03%	145.61		
4BR Single Family	20.68%	61.41		
5BR Single Family	6.20%	18.42		
Study Area B (TND)		**297**	**-**	**$50,375,085**
Single Family Units		***149***	***$240,291*****	***$35,803,398***
2BR Single Family	47.48%	70.75		
3BR Single Family	38.41%	57.24		
4BR Single Family	9.95%	14.82		
5BR Single Family	4.16%	6.19		
Townhouse Units		***74***	***$120,224*****	***$8,896,549***
2BR Townhouse	47.48%	35.14		
3BR Townhouse	38.41%	28.43		
4BR Townhouse	14.11%	10.44		
Duplex/Apt. Units		***74***	***$76,691*****	***$5,675,137***
1BR Duplex/Apt.	20.15%	14.91		
2BR Duplex/Apt.	27.33%	20.22		
3BR Duplex/Apt.	52.52%	38.86		
Study Area C (Remaining R1 & R1.5)		**324**	**$306,565***	**$99,327,106**
2BR Single Family	24.10%	78.07		
3BR Single Family	49.03%	158.84		
4BR Single Family	20.68%	66.99		
5BR Single Family	6.20%	20.10		
Study Area D (Balance of TOV)		**470**	**$306,565***	**$144,085,617**
2BR Single Family	24.10%	113.25		
3BR Single Family	49.03%	230.42		
4BR Single Family	20.68%	97.18		
5BR Single Family	6.20%	29.15		
** Median value for homes in the TOV area, based on sales data from 2005 – 2010.*				
** Median value for homes in the town's village areas, based on sales data from 2005 – 2010. Values for condos were used as the basis for the median value for Townhouses. Values of Duplex/Apt. units are based on 50% of condo values.*				

In addition to residential development, the proposed action includes provisions allowing 320,000 square feet of new commercial space as part of the proposed TND District (140,000 square feet in the Commercial Center of the TND District, and 180,000 square feet in the Office-Industrial area). For this analysis, we assume that the commercial space will consist of a mix of office space, retail stores and full- or limited-service restaurants in the Commercial Center, and an 80,000 square foot 3-story hotel and 100,000 square feet of flex space (industrial park, business park, office park) in the Office-Industrial area. The following table shows the estimated number of square feet for each of these uses, as well as the expected value of this commercial development.

Table 7 – Break-up of Commercial Uses (Proposed Action)

Commercial Type	Percentage of New Units	Number of SF	Median Value (Per SF)**	Total Value of Units
Study Area B (TND)		**140,000**	**-**	**$23,170,140**
Retail Commercial	33.3%	46,620	$112	$5,221,440
Office Commercial	33.3%	46,620	$185	$8,624,700
Other Commercial*	33.3%	46,620	$200	$9,324,000
Study Area E (Office/Light Ind. Subdist.)		**180,000**	**-**	**$33,060,000**
Hotel Commercial	44.45%	80,000	$182	$14,560,000
Office Commercial	55.55%	100,000	$185	$18,500,000
** Other commercial includes restaurants, bars and other food-service establishments.*				
***Source for Median Value is RSMeans CostWorks Square Foot Estimator. Estimates are localized for the Poughkeepsie area.*				

The total value of new development under the proposed zoning is $441,067,795, including $56,230,140 from commercial development and $384,837,655 from residential development.

Given the number of residential units cited above, we estimate that the total number of new residents under the proposed action upon build out would be 4,226, of which 940 would be school children. The following table provides a detailed account of these estimates.

Table 8 – Detailed Estimates of New Residents and School Children (Proposed Action)

Housing Unit Size/Type	Percentage of New Units	Number of Dwelling Units	New Residents Added	New School Children Added
Study Area A (ABD)		**297**	**918**	**205.2**
2BR Single Family	24.10%	71.56	169.6	17.9
3BR Single Family	49.03%	145.61	429.5	84.5
4BR Single Family	20.68%	61.41	229.7	70.6
5BR Single Family	6.20%	18.42	89.2	32.2
Study Area B (TND)		**297**	**854**	**186**
Single Family Units		***149***	***421.9***	***78.8***
2BR Single Family	47.48%	70.75	167.7	17.7
3BR Single Family	38.41%	57.24	168.9	33.2
4BR Single Family	9.95%	14.82	55.4	17
5BR Single Family	4.16%	6.19	30	10.9
Townhouse Units		***74***	***204.6***	***47.9***
2BR Townhouse	47.48%	35.14	73.8	8.8
3BR Townhouse	38.41%	28.43	88.1	23
4BR Townhouse	14.11%	10.44	42.7	16.1
Duplex/Apt. Units		***74***	***227.2***	***59.1***
1BR Duplex/Apt.	20.15%	14.91	31.9	4.5
2BR Duplex/Apt.	27.33%	20.22	50.3	9.5
3BR Duplex/Apt.	52.52%	38.86	144.9	45.1
Study Area C (Remaining R1 & R1.5)		**324**	**1,001.4**	**223.9**
2BR Single Family	24.10%	78.07	185	19.5
3BR Single Family	49.03%	158.84	468.6	92.1
4BR Single Family	20.68%	66.99	250.5	77
5BR Single Family	6.20%	20.10	97.3	35.2
Study Area D (Balance of TOV)		**470**	**1452.7**	**324.7**
2BR Single Family	24.10%	113.25	268.4	28.3
3BR Single Family	49.03%	230.42	679.7	133.6
4BR Single Family	20.68%	97.18	363.5	111.8
5BR Single Family	6.20%	29.15	141.1	51
** Median value for homes in the TOV area, based on sales data from 2005 – 2010.*				

These increases are much lower than under current zoning, and represent about a 50% increase in town population and school district enrollment. Still, these large population increases up the costs of providing local government and education services to the community. Based on current *Per Capita* expenditures, the new residents added to the town's population upon build out under the proposed action would increase the town's Townwide (general budget) appropriations by $340,620, and the town's TOV (general and highway budgets) appropriations by $474,192. The addition of new school children under this scenario would increase school district appropriations by approximately $10,929,780, using current per-pupil estimates.

As with Alternative A, these new costs are partially offset by the additional property tax revenues driven by the town's residential growth. Under the proposed action, new development would drive an increase of $323,171 in the town's Townwide (general budget) revenues and $452,484 in the town's TOV (general and highway) budget. Property taxes on the new units would generate an estimated $6,954,515 in revenues for the RHCSD.

A final factor to consider related to the proposed action is the fiscal impact associated with the conservation option, which involves purchase of development rights in the AB District and incentive zoning in the TND District. Based on the assumptions stated earlier in this report, we estimate that the total cost of development rights under the proposed zoning would be $7,396,500. Revenues from incentive zoning would reduce this cost by contributing $4,800,000 of new revenues, leaving a total **one-time cost** for PDR of $2,596,500. Since this is a one-time cost, we assume that the town would finance the purchase of development rights. Assuming a 20-year term, and a 4.75% annual interest rate, the annual payment would be approximately $204,000. Annual CPA revenues received by the town are intended to help pay for the cost of purchasing development rights. We estimate those revenues at $150,000 per year, which reduces the debt service payments to $54,000 per year for 20 years.

Note that if the development rights are not purchased at the levels indicated in Table 1, the cost of additional residents and school age children resulting from additional residential development would need to be added to the estimates below. **These costs, unlike the borrowing costs for PDR, would be ongoing on an annual basis.**

In net terms, the balance of costs for each jurisdiction (Townwide, TOV, and RHCSD) exceeds new revenues, as outlined in the summary table below. By comparison, the net fiscal impact of the Proposed Action represents and improvement over the Current Zoning.

Table 9 – Net Fiscal Impact (Proposed Action)

Municipality/ District	New Approps.	Prch of Dev Rights	New Prop. Tax Revs.	Other Revs.	Net Fiscal Impact
Townwide	$(340,620)	$(53,956)	$323,171	$-	$(71,405)
TOV	$(474,192)	$-	$452,484	$-	$(21,708)
RHCSD	$(10,929,780)	$-	$6,954,515	$-	$(3,975,266)
Total Fiscal Impact					**$(4,068,379)**

Analysis of Alternatives to Proposed Action

GREENPLAN's build out analysis includes several variations of the Proposed Action, which are summarized in Table 1 above. Within this section, we present a brief summary of the affect that each alternative would have on the fiscal impact of the Proposed Action.

Alternatives B(a), B(b), and C

The first three alternatives involve a variety of modifications to the Conservation Option described above, under the Proposed Action. As a result, these three alternatives differ from the Proposed Action only insofar as they result in a different number of development rights which would be purchased. The following table provides a summary of the number of development rights for Alternatives B(a), B(b) and C.

Table 10 – Summary of Build Out Analysis for Alternatives B(a), B(b) and C

Alternative	New Dwelling Units	Development Rights	New Commercial Units (SF)
Proposed Action*	1,388***	441	320,000
Alternative B(a)*	1,388***	186	320,000
Alternative B(b)*	1,388***	129	320,000
Alternative C*	1,388***	531	320,000
** Assumes that in the proposed AB District, development rights would be sold from 50% of lands under the "conservation option," and that 50% of lands would be developed under the "limited development option."*			
**** Includes 74 townhouses and 74 duplex/apartment units. The remaining units are single family.*			

Since our analysis assumes that the Town will purchase the development rights offered for sale by property owners in the AB District, the variation in development rights for these scenarios affects the cost of PDR. In Alternative B(a), we estimate the cost of the PDR at $3,119,612. Total revenues from the TND incentive zoning are $4,800,000, which is more than sufficient to cover the entire PDR, meaning that the net cost of development rights is $0. The balance of un-spent incentive zoning revenues, $1,680,388, is enough to cover the purchase of an additional 100 development rights (at an average of $16,772 each).

The same net result applies to Alternative B(b), where the 129 development rights would require $2,163,602 for PDR. The remaining balance of incentive zoning revenues could be used to purchase an additional 157 development rights. For Alternative C, the cost of the 531 development rights is estimated at $9,055,500, which, if financed, drives a total annual cost of $184,272 for 20 years, the majority of which ($150,000) would be covered by CPA revenues.

The following table summarizes the fiscal impact of Alternatives B(a), B(b) and C on the Townwide budgets. Since Alternatives B(a), B(b) and C do not change appropriations or new property tax revenues, the fiscal impact on the TOV and RHCSD are unchanged from the Proposed Action.

Table 11 –Fiscal Impact on Townwide Budgets (Alternatives B(a), B(b) and C)

Alternative	New Approps.	Prch of Dev Rights	New Prop. Tax Revs.	Net Fiscal Impact (Townwide)	Total Fiscal Impact
Alternative B(a)	$(340,620)	$0*	$323,171	$(17,449)	$(4,014,423)
Alternative B(b)	$(340,620)	$0*	$323,171	$(17,449)	$(4,014,423)
Alternative C	$(340,620)	$(184,272)	$323,171	$(201,721)	$(4,198,695)
** New revenues from incentive payments exceed the cost of purchasing the development rights offered under this scenario, eliminating the cost for PDR.*					

In net terms, the balance of costs for each jurisdiction (Townwide, TOV, and RHCSD) exceeds new revenues, as outlined in the summary table above. By comparison, the fiscal impact of Alternatives B(a), B(b) and C is an improvement over the Current Zoning. Alternatives B(a) and B(b) are a slight improvement over the Proposed Action.

Alternatives D(a), D(b), E and F

These four alternatives each represent a modification to the limited development option of the AB District from the proposed action. In D(a), the limited development option would allow 1 dwelling unit per 10 acres, in D(b), 1 dwelling unit per 6 acres. Alternative E involves a sliding scale, from 1 dwelling unit for parcels up to 6 acres in size, 2 for parcels between 6 and 40 acres, and 1 dwelling unit per 20 acres for parcels greater than 40 acres. Alternative F would allow 1 dwelling unit per 40 acres, and would follow conventional subdivision form. The following table summarizes the affect of each of these alternatives on the number of dwelling units permitted.

Table 12 – Summary of Build Out Analysis for Alternatives D(a), D(b), E and F

Alternative	New Dwelling Units	Development Rights	New Commercial Units (SF)
Proposed Action*	1,388***	441	320,000
Alternative D(a)*	1,420***	441	320,000
Alternative D(b)*	1,603***	441	320,000
Alternative E*	1,321***	441	320,000
Alternative F*	1,213***	441	320,000
** Assumes that in the proposed AB District, development rights would be sold from 50% of lands under the "conservation option," and that 50% of lands would be developed under the "limited development option."*			
**** Includes 74 townhouses and 74 duplex/apartment units. The remaining units are single family.*			

The number of dwelling units under each alternative affects the fiscal impact by driving increases or decreases in the number of new residents and school-age children. The following table shows the total number of new residents and school-age children added within Study Area A under each of these alternatives.

Table 13 – Detailed Estimates of New Residents and School Children (Alternatives D(a), D(b), E and F)

Housing Unit Size/Type	Alternative D(a)		Alternative D(b)		Alternative E		Alternative F	
	Residents	Students	Residents	Students	Residents	Students	Residents	Students
Study Area A (ABD)	**1,017**	**227**	**1,583**	**354**	**711**	**159**	**377**	**84**
2BR Single Family	187.9	19.8	292.4	30.8	131.3	13.9	69.7	7.4
3BR Single Family	475.8	93.6	740.5	145.6	332.6	65.4	176.4	34.7
4BR Single Family	254.4	78.2	395.9	121.7	177.8	54.7	94.3	29.0
5BR Single Family	98.8	35.7	153.7	55.6	69.1	25.0	36.6	13.2

The variation in the number of new residents and school children affects the fiscal impact to all jurisdictions. The following table summarizes the net fiscal impact of Alternatives D(a), D(b), E and F for each jurisdiction.

Table 14 –Fiscal Impact on Townwide Budgets (Alternatives D(a), D(b), E and F)

Alternative	Net Fiscal Impact (Townwide)	Net Fiscal Impact (TOV)	Net Fiscal Impact (RHCSD)	Total Fiscal Impact
Proposed Action	$(71,405)	$(21,708)	$(3,975,266)	**$(4,068,379)**
Alternative D(a)	$(71,855)	$(22,249)	$(4,077,924)	**$(4,172,027)**

Alternative D(b)	$(74,421)	$(25,339)	$(4,664,813)	**$(4,764,573)**
Alternative E	$(70,466)	$(20,577)	$(3,760,405)	**$(3,851,448)**
Alternative F	$(68,951)	$(18,753)	$(3,414,010)	**$(3,501,713)**

In net terms, the balance of costs for each jurisdiction (Townwide, TOV, and RHCSD) exceeds new revenues, as outlined in the summary table above. By comparison, the fiscal impact of Alternatives D(a), D(b), E, and F are an improvement over the Current Zoning. Alternatives E and F are an improvement over the Proposed Action.

Alternative G

Under this alternative, the limited development option from the proposed action is eliminated, and all lands in the AB District are included in the calculations for the conservation option. This results in 212 new dwelling units in the AB District, instead of the 297 expected under the proposed action. It also increased the number of development rights for sale from 441 under the proposed action to 882 under Alternative G.

The decrease in dwelling units translates into lower *Per Capita* costs for all affected jurisdictions, while the increased number of development rights to be purchased increases the one-time purchase cost for PDR, which translates to an increase in the annual debt payments used to finance the purchase. The following table shows the fiscal impact of Alternative G.

Table 15 –Fiscal Impact on Townwide, TOV and RHCSD Budgets (Alternative G)

Municipality/ District	New Approps.	Prch of Dev Rights	New Prop. Tax Revs.	Other Revs.	Net Fiscal Impact
Townwide	$(320,345)	$(634,955)	$304,088	$-	$(651,212)
TOV	$(446,038)	$-	$425,765	$-	$(20,272)
RHCSD	$(10,246,486)	$-	$6,543,854	$-	$(3,702,632)
Total Fiscal Impact					**($4,374,116)**

In net terms, the costs for each jurisdiction (Townwide, TOV, and RHCSD) exceeds new revenues, as outlined in the summary table above. By comparison, the fiscal impact of Alternative G is an improvement over the Current Zoning, but is substantially more costly than the Proposed Action.

Alternative H

Alternative H modifies the allowed density in the proposed TND Residential Subdistrict. Under this alternative, the development potential would increase from a total of 297 units under the proposed action to 463, with 220 TND houses, 146 TND townhouses and 97 TND duplex/apartment units.

The following table summarizes the number of units in the TND Residential Subdistrict, and the corresponding number of expected new residents and school-age children.

Table 16 – Detailed Estimates of New Residents and School Children (Alternative H)

Housing Unit Size/Type	Percentage of New Units	Number of Dwelling Units	New Residents Added	New School Children Added
Study Area B (TND)		**463**	**1,324**	**288**
Single Family Units		***220***	***623***	***116.3***
2BR Single Family	47.48%	104.46	247.6	26.1
3BR Single Family	38.41%	84.51	249.3	49.0
4BR Single Family	9.95%	21.89	81.9	25.2
5BR Single Family	4.16%	9.14	44.2	16.0
Townhouse Units		***146***	***403.6***	***94.5***
2BR Townhouse	47.48%	69.32	145.6	17.3
3BR Townhouse	38.41%	56.08	173.8	45.4
4BR Townhouse	14.11%	20.59	84.2	31.7
Duplex/Apt. Units		***97***	***297.9***	***77.4***
1BR Duplex/Apt.	20.15%	19.55	41.8	5.9
2BR Duplex/Apt.	27.33%	26.51	66.0	12.5
3BR Duplex/Apt.	52.52%	50.94	190.0	59.1

While the increased number of units permitted under Alternative H causes a corresponding increase in residents and school-age children, the increase in incentive zoning payments received by the town helps to reduce the cost of the PDR. In fact, the total revenues from incentive zoning are sufficient to cover the entire cost of PDR, with funds left over to purchase an additional 43 development rights (at an average size of 2.8 acres, $6,000 per acre).

The following table summarizes the combined fiscal impact of the changes under Alternative H.

Table 17 –Fiscal Impact on Townwide, TOV and RHCSD Budgets (Alternative H)

Municipality/ District	New Approps.	Prch of Dev Rights	New Prop. Tax Revs.	Other Revs.	Net Fiscal Impact
Townwide	$(376,944)	$0*	$343,308	$-	$(33,636)
TOV	$(524,631)	$-	$480,679	$-	$(43,952)
RHCSD	$(12,121,896)	$-	$7,387,859	$-	$(4,734,037)
Total Fiscal Impact					**$(4,811,624)**

** New revenues from incentive payments exceed the cost of purchasing the development rights offered under this scenario, eliminating the cost for PDR.*

In net terms, the costs for each jurisdiction (Townwide, TOV, and RHCSD) exceeds new revenues, as outlined in the summary table above. By comparison, the fiscal impact of Alternative H is an improvement over the Current Zoning, but is substantially more costly than the Proposed Action.

Alternative I

Under this alternative, the TND District and the Open Space Incentive Zoning provisions of the proposed action are eliminated. As a result, the calculation of dwelling units for Study Area B follows the same methodology as Study Area C. This alternative reduces the total development in Study Area B from 297 units to 40 units. Since the existing zoning would not be revised to allow a mixed-use TND district, the additional commercial development from previous scenarios is not included for Alternative I. Also, no payments for incentive zoning are received by the town.

The fiscal result of these proposed modifications to the proposed action is summarized in the following table.

Table 18 –Fiscal Impact on Townwide, TOV and RHCSD Budgets (Alternative I)

Municipality/ District	New Approps.	Prch of Dev Rights	New Prop. Tax Revs.	Other Revs.	Net Fiscal Impact
Townwide	$(268,952)	$(430,999)	$252,092	$-	$(447,859)
TOV	$(373,466)	$-	$352,964	$-	$(20,502)
RHCSD	$(9,015,300)	$-	$5,424,919	$-	$(3,590,381)
Total Fiscal Impact					**$(4,058,742)**

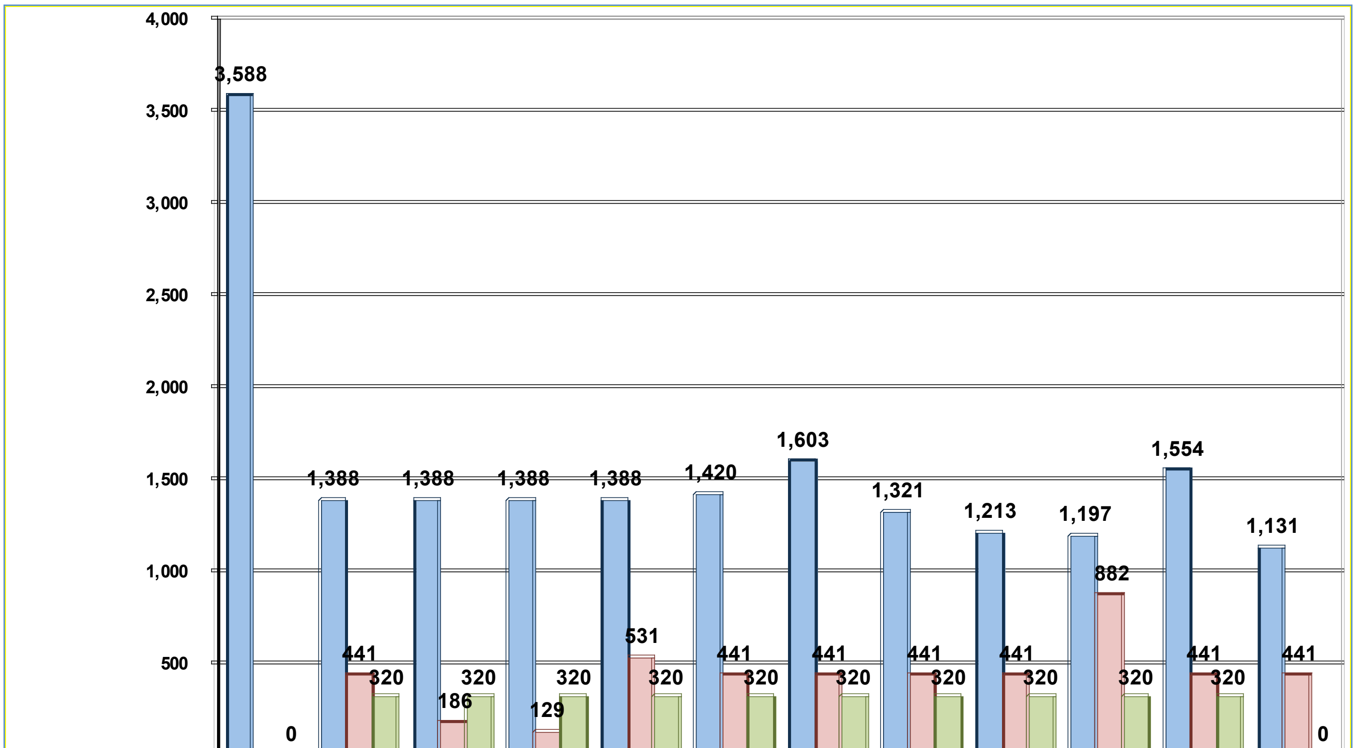
In net terms, the costs for each jurisdiction (Townwide, TOV, and RHCSD) exceeds new revenues, as outlined in the summary table above. By comparison, the fiscal impact of Alternative I is an improvement over the Current Zoning. The fiscal impact of Alternative I is nearly the same as the Proposed Action, though the loss of revenues from incentive zoning drives a large increase in the cost of financing the PDR.

Comparative Analysis of Alternatives

This section provides a snapshot that facilitates comparisons between each of the alternatives and the proposed zoning changes. For additional details on the figures included in the charts below, please refer to the previous sections of this report.

The first chart shows the total number of units under each zoning alternative.

Figure 1 - Total Number of Residential Units, Development Rights, and Commercial SF by Alternative



	Alt A (Current Zoning)	Proposed Zoning	Alt B(a)	Alt B(b)	Alt C	Alt D(a)	Alt D(b)	Alt E	Alt F	Alt G	Alt H	Alt I
Res Units	3,588	1,388	1,388	1,388	1,388	1,420	1,603	1,321	1,213	1,197	1,554	1,131
Dev Rights	-	441	186	129	531	441	441	441	441	882	441	441
Comm SF ('000s)	0	320	320	320	320	320	320	320	320	320	320	0

The next chart shows the total value of the new units upon build out.

Figure 2 - Total Value of New Development by Alternative

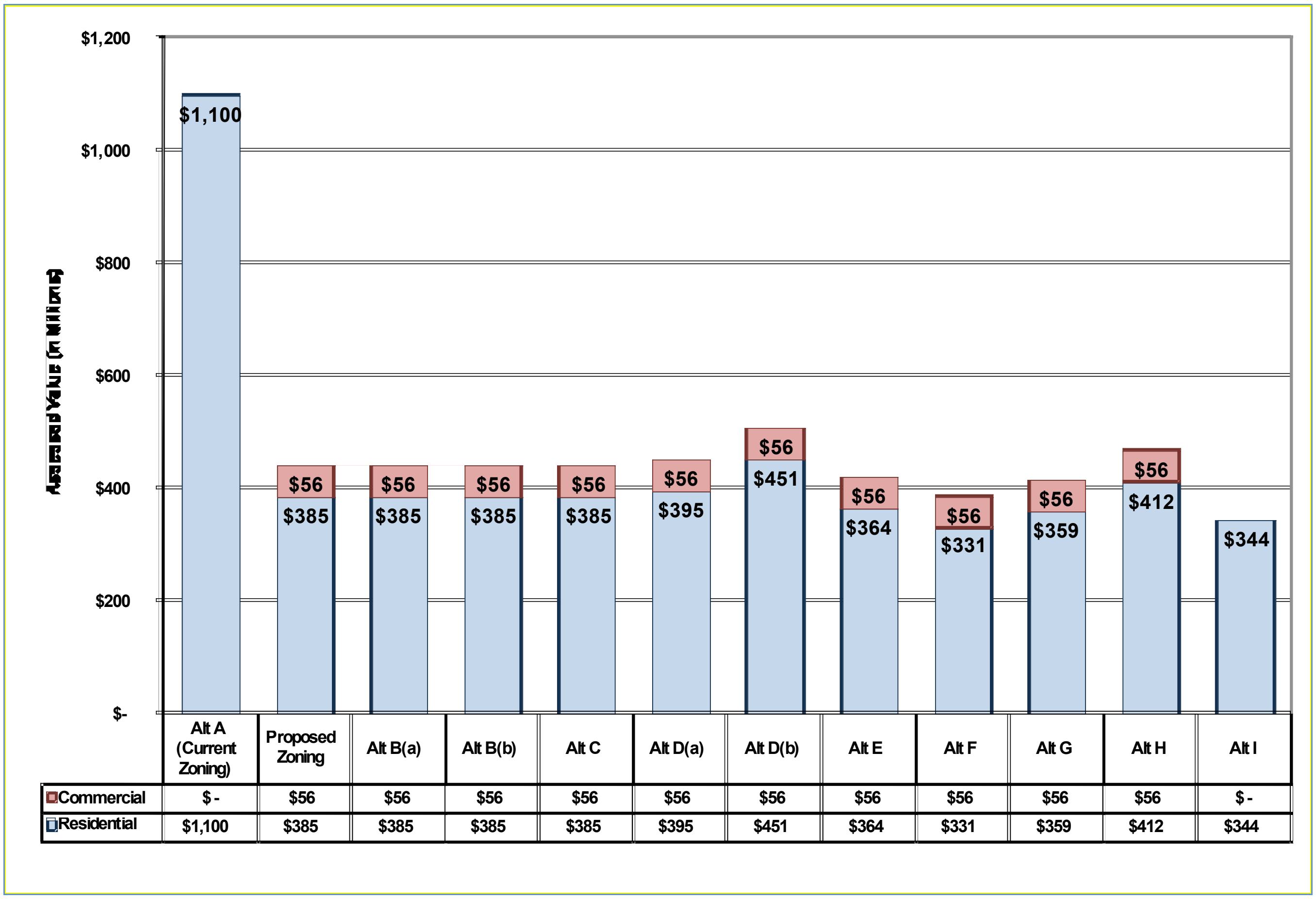
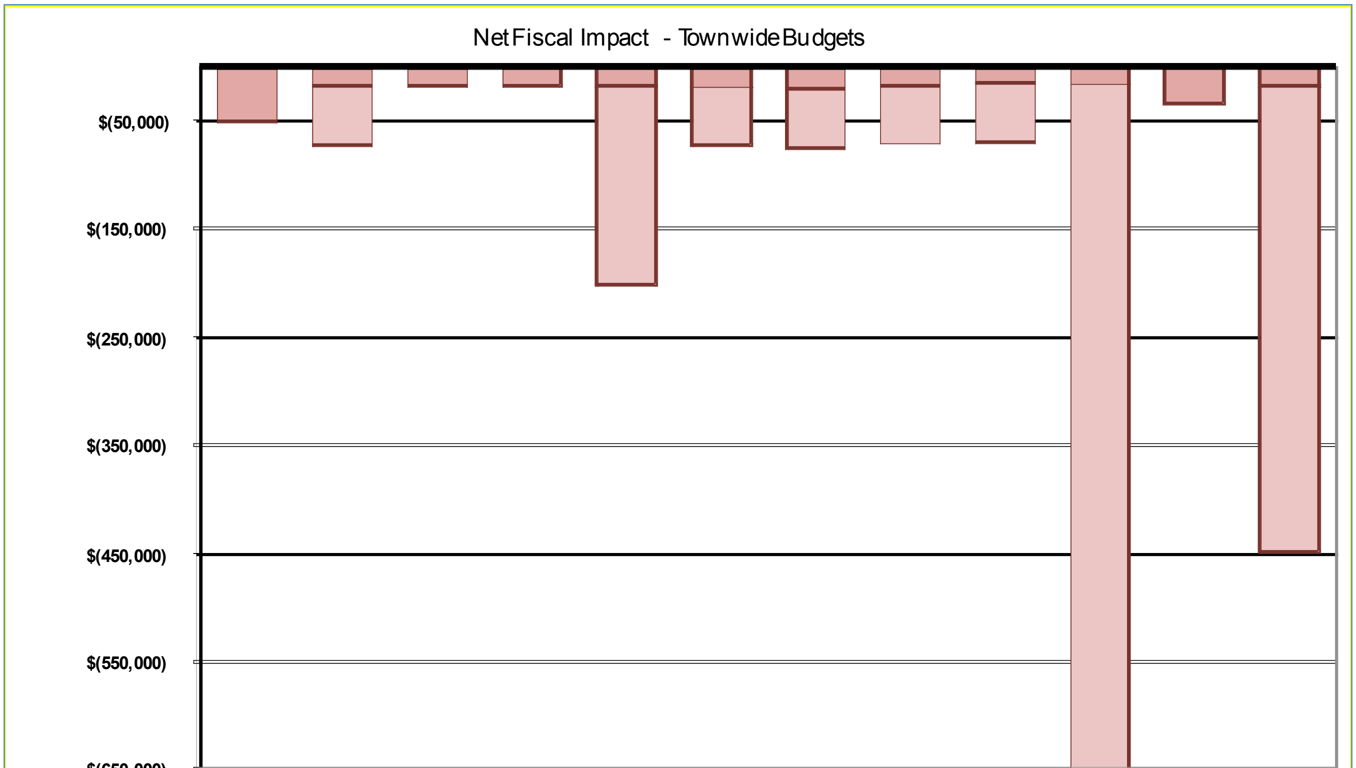


Figure 3 shows the net fiscal impact on the Town of Red Hook's townwide general budget for current zoning, the proposed action, and each of the alternatives analyzed in this report. Note that while the total fiscal impact of the proposed action and all alternatives is an improvement over current zoning, the impact on the town's Townwide budget varies depending on the annual cost of financing for the PDR.

Figure 3 - Net Fiscal Impact to Townwide Budgets by Alternative



	Alt A (Current Zoning)	Proposed Zoning	Alt B(a)	Alt B(b)	Alt C	Alt D(a)	Alt D(b)	Alt E	Alt F	Alt G	Alt H	Alt I
Financing for PDR	$ -	($53,956)	$0	$0	($184,272)	($53,956)	($53,956)	($53,956)	($53,956)	($634,955)	$0	($430,999)
Townwide	$(49,945)	$(17,449)	$(17,449)	$(17,449)	$(17,449)	$(17,899)	$(20,465)	$(16,510)	$(14,995)	$(16,257)	$(33,636)	$(16,860)

The next chart shows a similar analysis, but for the Town of Red Hook's TOV budgets (general and highway). Here, the current zoning is expected to increase the town's budgets by a total of $80,000 each year, while the proposed action is expected to increase them by about $44,000 each year. All of the alternatives represent an improvement over current zoning.

Figure 4 - Net Fiscal Impact to TOV Budgets by Alternative

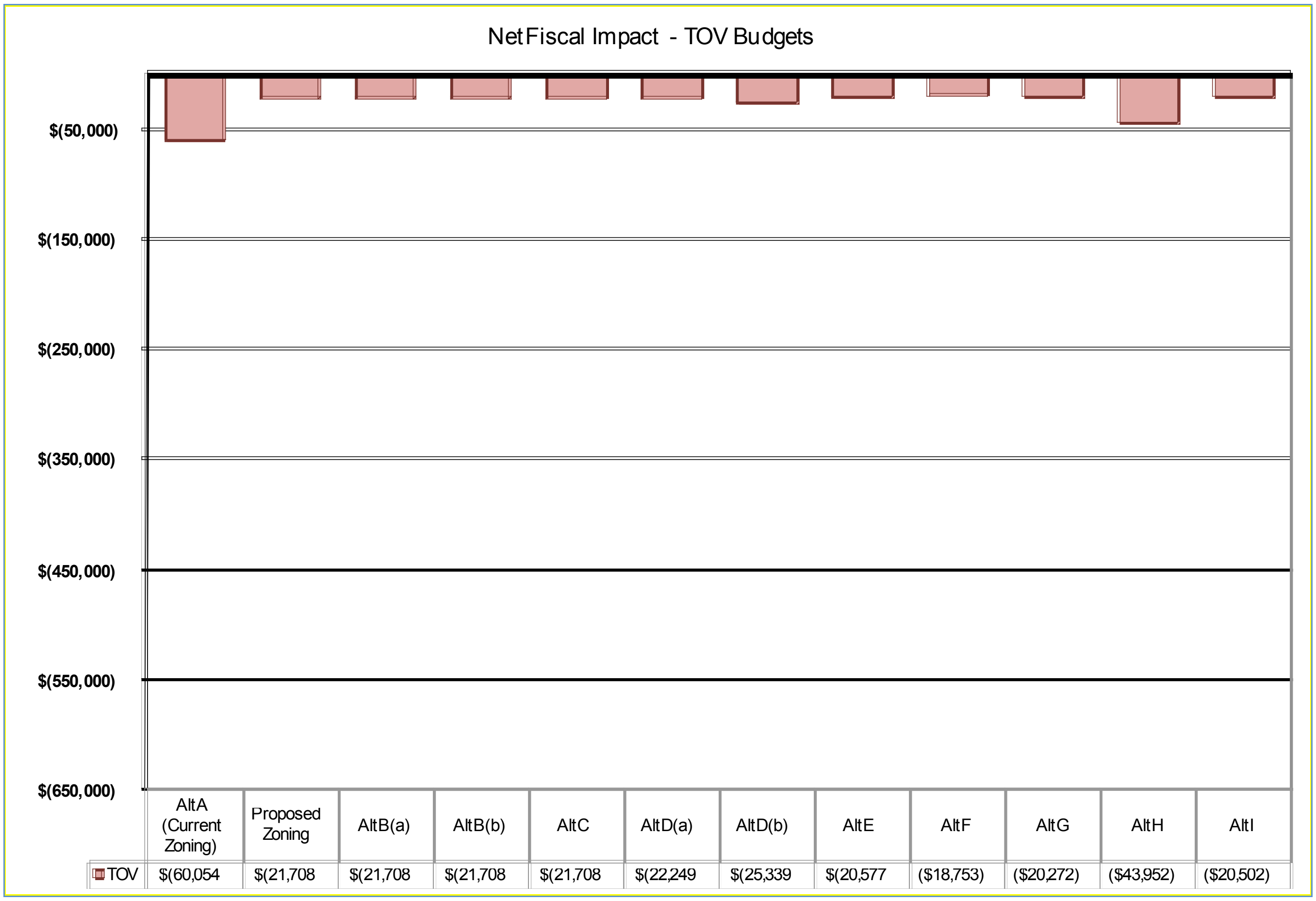
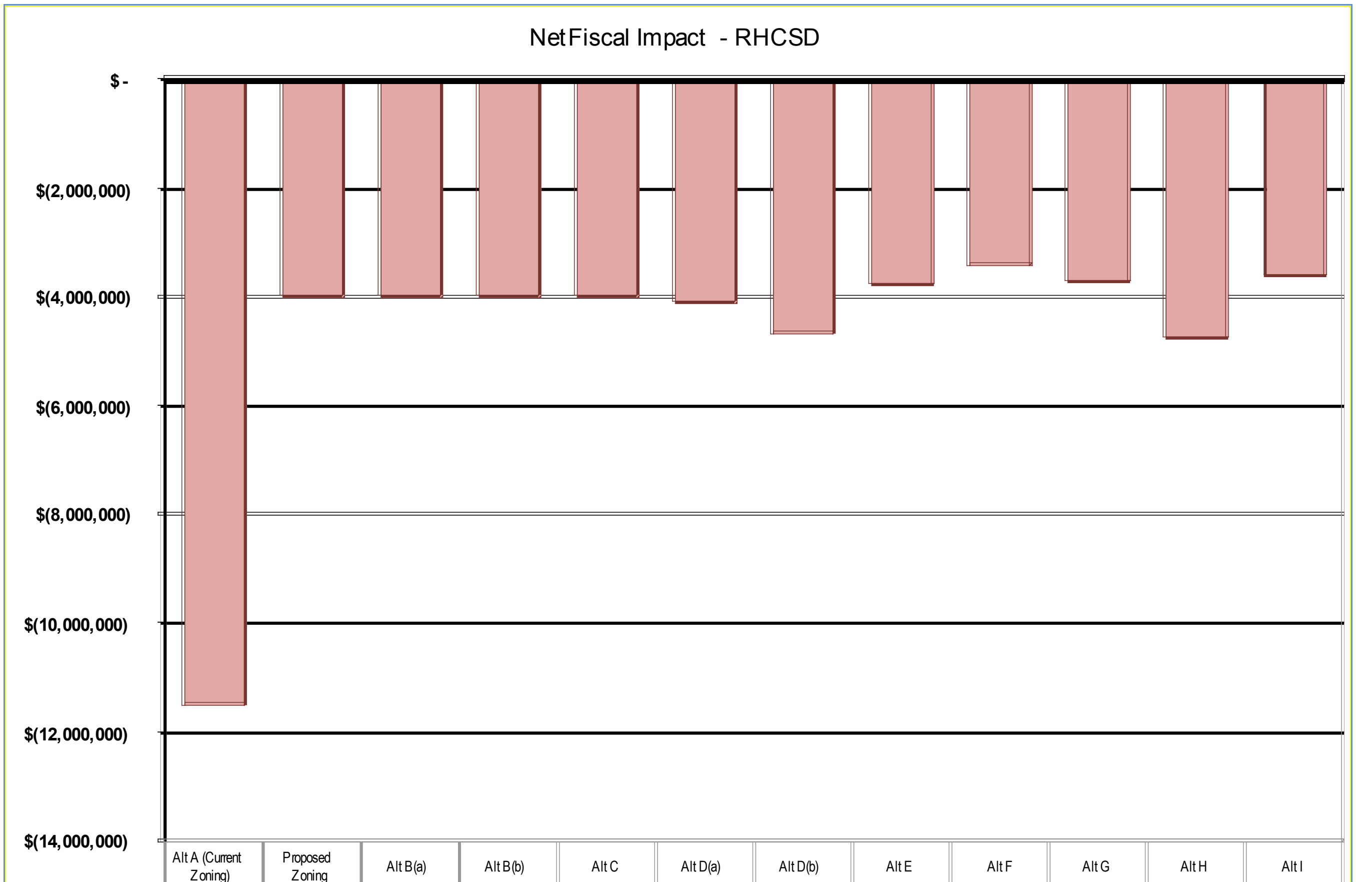


Figure 5 shows the net fiscal impact to the Red Hook Central School District for each alternative. The current zoning has the largest net negative impact, at just under $12,000,000 each year. The proposed zoning represents an annual impact of less than $4,500,000. All of the alternatives are expected to result in a reduction of more than 50% to the added costs to the school district.

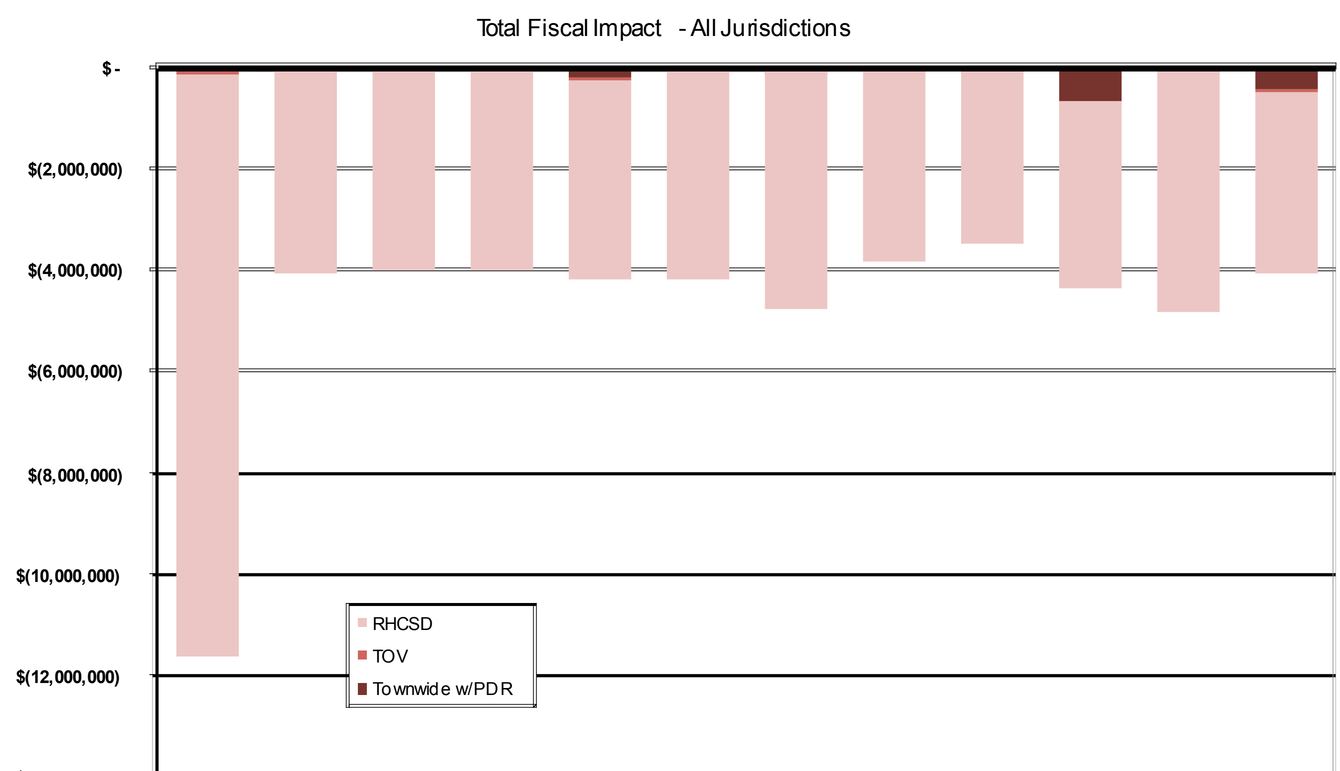
Figure 5 - Net Fiscal Impact to RHCSD by Alternative



	Alt A (Current Zoning)	Proposed Zoning	Alt B(a)	Alt B(b)	Alt C	Alt D(a)	Alt D(b)	Alt E	Alt F	Alt G	Alt H	Alt I
RHCSD	$(11,498,983	$(3,975,266)	$(3,975,266)	$(3,975,266)	$(3,975,266)	$(4,077,924)	$(4,664,813)	$(3,760,405)	($3,414,010)	($3,702,632)	($4,734,037)	($3,590,381)

Combining the Townwide, TOV and school impacts, the following chart shows the total net fiscal impact of the current zoning, the proposed action, and the other alternatives analyzed in this report. This graph emphasizes the fact that town impacts (Townwide and TOV budgets) are relatively small compared to school district impacts.

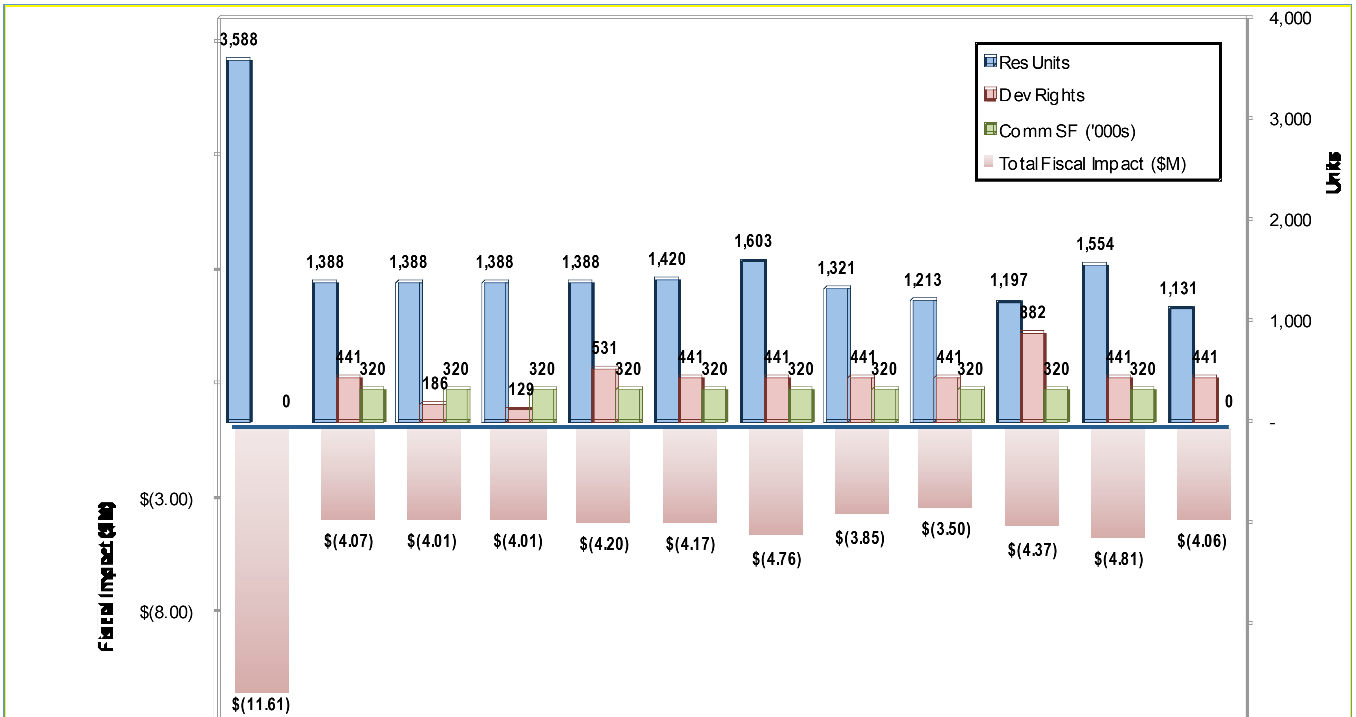
Figure 6 - Net Fiscal Impact to All Municipalities/Districts by Alternative



	Alt A (Current Zoning)	Proposed Zoning	Alt B(a)	Alt B(b)	Alt C	Alt D(a)	Alt D(b)	Alt E	Alt F	Alt G	Alt H	Alt I
RHCSD	$(11,498,983	$(3,975,266)	$(3,975,266)	$(3,975,266)	$(3,975,266)	$(4,077,924)	$(4,664,813)	$(3,760,405)	($3,414,010)	($3,702,632)	($4,734,037)	($3,590,381)
TOV	$(60,054)	$(21,708)	$(21,708)	$(21,708)	$(21,708)	$(22,249)	$(25,339)	$(20,577)	($18,753)	($20,272)	($43,952)	($20,502)
Townwide w/PDR	$(49,945)	$(71,405)	$(17,449)	$(17,449)	$(201,721)	$(71,855)	$(74,421)	$(70,466)	$(68,951)	$(651,212)	$(33,636)	$(447,859)

Figure 7 below combines the chart from Figure 3 with the chart from Figure 6, to show both the level of development (number of units) and total fiscal impact for each alternative on one graph.

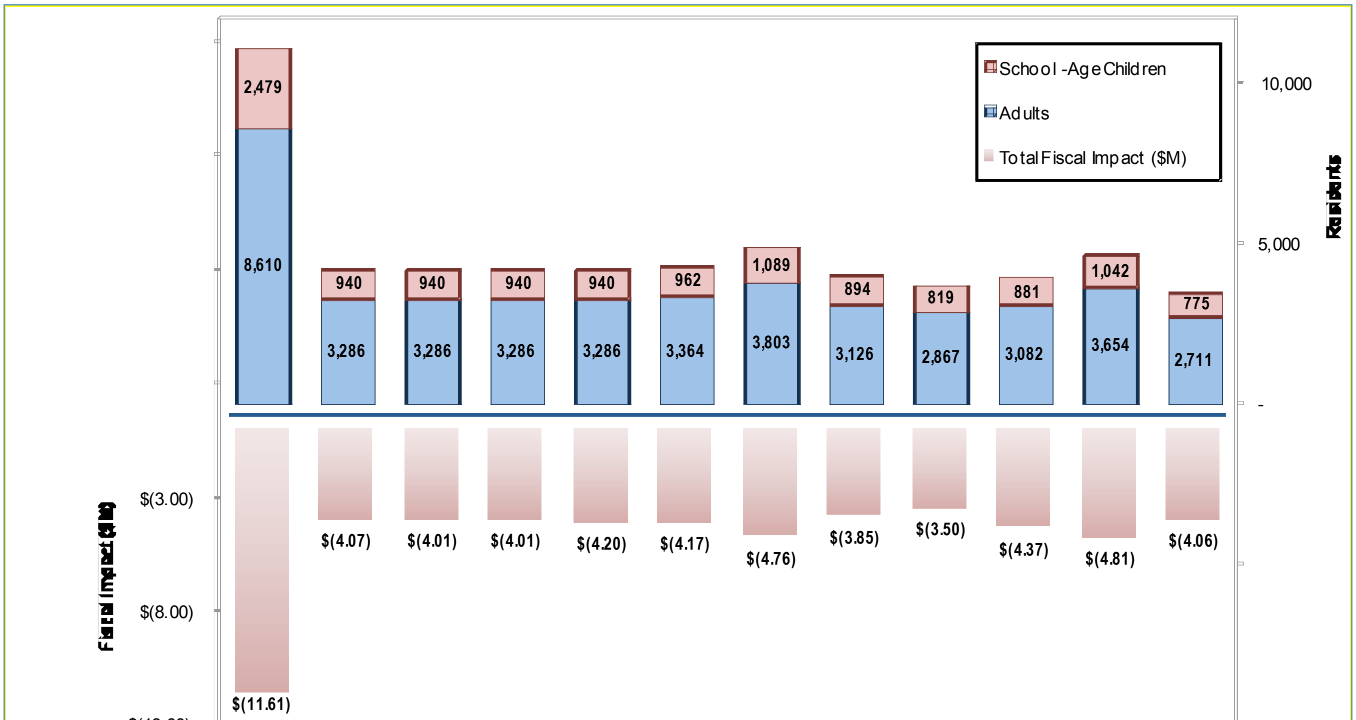
Figure 7 - Number of Units and Total Fiscal Impact by Alternative



	Alt A (Current Zoning)	Proposed Zoning	Alt B(a)	Alt B(b)	Alt C	Alt D(a)	Alt D(b)	Alt E	Alt F	Alt G	Alt H	Alt I
Res Units	3,588	1,388	1,388	1,388	1,388	1,420	1,603	1,321	1,213	1,197	1,554	1,131
Dev Rights	-	441	186	129	531	441	441	441	441	882	441	441
Comm SF (000s)	0	320	320	320	320	320	320	320	320	320	320	0
Total Fiscal Impact ($M)	$(11.61)	$(4.07)	$(4.01)	$(4.01)	$(4.20)	$(4.17)	$(4.76)	$(3.85)	$(3.50)	$(4.37)	$(4.81)	$(4.06)

Finally, the following chart shows the total number of residents and school-age children added under each alternative, combined with the total fiscal impact of that alternative. New residents and school-children are the key driver of new costs, and this is apparent in the chart. As the number of new residents increases, the fiscal impact worsens.

Figure 8 - New Residents and Total Fiscal Impact by Alternative



	Alt A (Current Zoning)	Proposed Zoning	Alt B(a)	Alt B(b)	Alt C	Alt D(a)	Alt D(b)	Alt E	Alt F	Alt G	Alt H	Alt I
School-Age Children	2,479	940	940	940	940	962	1,089	894	819	881	1,042	775
Adults	8,610	3,286	3,286	3,286	3,286	3,364	3,803	3,126	2,867	3,082	3,654	2,711
Total Fiscal Impact ($M)	$(11.61)	$(4.07)	$(4.01)	$(4.01)	$(4.20)	$(4.17)	$(4.76)	$(3.85)	$(3.50)	$(4.37)	$(4.81)	$(4.06)