



445 Hamilton Avenue, 14th Floor
White Plains, New York 10601
T 914 761 1300
F 914 761 5372
cuddyfeder.com

Taylor M. Palmer
tpalmer@cuddyfeder.com

October 25, 2017

BY FEDERAL EXPRESS
AND E-MAIL

Hon. James C. Sheers, Chairman
And Planning Board Members
City of Beacon Planning Board
1 Municipal Square
Beacon, New York 12508

Re: Edgewater – Response Letter to Beacon City School District Comments
Application for Site Plan and Preliminary & Final Subdivision Plat Approval
Premises: 22 Edgewater Place, Beacon, New York

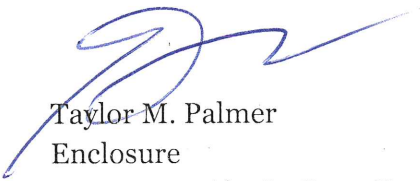
Dear Chairman Sheers and Planning Board Members:

On behalf of the Scenic Beacon Developments, LLC, (the “Applicant”), we respectfully submit this letter in furtherance of the above-referenced application for Site Plan and Preliminary & Final Subdivision approval. Enclosed please find a copy of the following:

- 1) A letter prepared by Cleary Consulting, dated October 25th, which provides written responses to the letter submitted to the Planning Board dated October 12, 2017, from Judith Mayle, Esq., of Thomas, Drohan, Waxman, Petigrow & Mayle, LLP on behalf of the Beacon City School District.

Please incorporate the enclosed as part of the official record of the proceedings in connection with the above-referenced Application. Thank you in advance for your consideration of the enclosed.

Very truly yours,


Taylor M. Palmer
Enclosure

cc: Jennifer L. Gray, Esq., Attorney to the Planning Board; Arthur R. Tully, P.E., City Engineer; Lt. Timothy P. Dexter, Building Inspector; John Clarke, Beacon Planning Consultant; Scenic Beacon Developments, LLC



October 25, 2017

Chairman Jay Sheers
and Members of the Planning Board
City of Beacon
1 Municipal Plaza
Beacon, NY 12508

**Re: The Edgewater Project – School Impact Study – Response to
School District’s Legal Counsel’s October 12, 2017 Letter**

Dear Chairman Sheers and Members of the Board,

The following presents a response to the letter submitted to your Board dated October 12, 2017, from Judith Mayle, Esq, of Thomas, Drohan, Waxman, Petigrow & Mayle, LLP on behalf of the Beacon City School District. That letter focused on three (3) issues: 1) projected number of school-aged children generated by the Edgewater project; 2) projected school district costs; and 3) the accuracy of the project’s estimated \$60 million valuation.

**1. Projected Number of School-Aged Children Generated by The
Edgewater Development:**

Attorney Mayle takes issue with the presentation of data depicting the actual number of school-age children generated from comparably sized transit-oriented developments (TOD) in the region, as well as from nearly a dozen multi-family developments within the City of Beacon, suggesting that they are not equivalent in size or location to the proposed Edgewater project.

Obviously, if another 300-plus unit TOD development existed within the City of Beacon, data from that project would have been supplied, however, no such development exists, so relevant examples that accurately illustrate the trend in school children generation were offered.

Rather than simply impugning the data supplied to the Planning Board, the School District could have supplied data supporting their contention that projects of this type generate *higher* numbers of school-aged children. In fact, no contrary data was presented by the School District.

As documented in our previous submissions, this is so because these types of developments simply do not generate large numbers of school-aged children.

Attorney Mayle continues to criticize the rent value multiplier utilized in the Rutgers model calculation. The Rutgers model establishes three (3) rent categories, identified as specific dollar rent amounts. So while the actual rent amounts in the Rutgers model would obviously change over time, as we have stated in previous submittals, the *ratio* between the rent amounts would remain intact – reflecting “high,” “medium” and “low” rents. As the Edgewater project will be a market-rate development, the highest rent value was selected.

The School District argues that a *lower* rent value should be used, without offering any justification for why the lower value should be used – other than it results in a higher number of school-aged children.

In a presentation to the National Impact Fee Roundtable, the authors of the Rutgers study (David Listokin and Robert W. Burchell) recognized the overall trend in school-aged children generation (i.e. significantly *lower* generation rates than originally projected) and moreover acknowledged that the rent numbers used in their formula would change over time, and offered a solution that is based on value percentiles (i.e. 1st – 33rd percentile, 34th – 66th percentile and 67th to 100th percentile). Utilizing this approach, Listokin and Burchell found that the school children generation numbers would notably decrease.

The following table illustrates this finding. It presents the comparison between the percentile/dollar rent amount for the 86 two (2)-bedroom units proposed in the Edgewater project:

5+ UNITS – RENT, 2 BEDROOMS			
Category	# Units	Multiplier	School-Aged Children
Less Than \$750	86	0.74	63.6
1 st – 33 rd Percentile	86	0.34	29.2
\$750 - \$1,100	86	0.51	43.8
34 th – 66 th Percentile	86	0.27	23.22
More than \$1,100	86	0.23	19.7
67 th – 100 th Percentile	86	0.18	15.4

As noted in our prior submissions, the 86 two (2)-bedroom units would generate approximately 19.7 school-aged children. Employing Listokin and Burchell’s refined multiplier, the number of school-aged children generated from the 86 two (2)-bedroom apartments would more accurately be *reduced* to 15.4 students.

2. Projected School District Costs:

We make no claim to understand the intricacies of the Beacon City School District's budget, and cannot decipher how certain instructional costs are "imbedded in the budget" as noted by Attorney Mayle, however, the arguments proffered by her do not necessarily refute the use of the "instructional cost" as specified and calculated by the New York State Department of Education's Fiscal Accountable Summary for the Beacon City School District, to determine the cost to educate each additional school child entering the District.

According to the National Center for Educational Statistics, instructional costs should be used when calculating per pupil expenditures. As previously explained, this is so because the overall budget includes fixed expenditures that would not change if enrollments increase (or decrease).

The fact is that instructional costs account for the vast majority of the overall budget expenditures anyway. According to the New York State Education Department, Analysis of School Finances in New York State, on average seventy-seven percent (77%) of every education dollar is spent on instructional costs. The remaining twenty-three percent (23%) is spent on operation and maintenance of school buildings (6%), debt service for school construction (5%), student transportation (5%), non-instructional fringe benefits (3%), central administration including Board of Education expenses (2%) and other expenses, including tuition for resident students attending other school districts (2%). The Beacon City School District spends slightly less on instructional costs, approximately 74 cents of every dollar.

Utilizing the overall budget costs to calculate the incremental increase in expenditures resulting from additional pupils, would without dispute, inaccurately over estimate costs. As such, employing the instructional cost represents a more realistic, fair and accepted methodology.

3. Market Value:

The market value of \$60 million originally utilized to calculate the fiscal impacts of the project, included land acquisition, carrying costs, and all project related soft costs.

In consultation with the City of Beacon Tax Assessor, Kathy Martin, the market value of the project was reevaluated, and a new market value of between \$34 and \$40 million was established for the Edgewater project.


Utilizing this new assessed market value, the Edgewater project would generate approximately \$810,300 annually in real estate taxes for the Beacon City School District, based on an equalization rate of 100.00 and a school district tax rate of 21.9 per \$1,000 of assessed valuation.

As fully documented in prior submissions to this Board, the instructional costs per student in the Beacon City School District is \$17,102. The cost to educate the 47 new students would be \$803,794 ($\$17,102 \times 47$). The school taxes generated by The Edgewater would result in a modest tax surplus of \$6,506 per year for the School District. Again, employing Listokin and Burchell's refined multiplier, the number of school-aged children generated from the 86 two (2)-bedroom apartments would more accurately be reduced to 15.4 students. The cost to educate the 15.4 new students would be \$263,370, thus resulting in a surplus of \$546,930 per year for the School District.

As documented above, even with the re-assessment of the project's market value, no significant adverse impacts to the Beacon City School District will result from the development of the Edgewater project.

We believe we have satisfactorily responded to all issues raised by the School District, Mr. Clarke and the Planning Board and respectfully request that the Board consider the adoption of a SEQRA Negative Declaration at this time.

Sincerely,



Patrick Cleary, AICP, CEP, PP, LEED AP
Cleary Consulting

cc: Rodney Weber, Scenic Beacon Developments, LLC
Taylor Palmer, Cuddy & Feder