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MEMORANDUM

TO: John Bainlardi, Vice President
 WBP Development, LLC

FROM: Jan K. Johannessen, RLA, AICP
 Principal

DATE: September 16, 2024

RE: 1 Croton Point
 Fiscal Analysis

As requested, and in response to a memorandum from Aaron Werner, AICP of AKRF, Inc. to the Village Board of the Village of Croton-on-Hudson, dated August 19, 2024, KSCJ Consulting has evaluated the fiscal impacts associated with the proposed development known as 1 Croton Point, as described below.

THE SITE

The subject property or “the site” consists of three (3) tax parcels totaling 1.7578 acres of land and located on Croton Point Avenue within the Village of Croton-on-Hudson, Westchester County, NY. The subject property consists of the follow tax parcels:

TAX PARCELS			
Tax Parcel	Current Ownership	Size	Current Use
79.17-1-3	Village of Croton-on-Hudson	0.2205	2-story office building and associated parking
79.17-1-4	Croton Point Realty, Inc.	0.2884	1-story office building and associated parking
PO 79.17-1-5	Village of Croton-on-Hudson	1.2489	Surface parking

PROJECT DESCRIPTION

WBP Development, LLC, has been selected by the Village of Croton-on-Hudson as the purchaser and developer of Village Parking Lot A and is in contract to purchase a privately owned parcel from Croton Point Realty, Inc., which, at present, are collectively developed with surface parking and a 2-story office building. The site is located on Croton Point Avenue and is bounded by NYS Route 9 to the east, Metro North Railroad to the west, and additional Metropolitan Transportation Authority (MTA) uses to the north. Collectively, the subject property is proposed to be developed with a 5-story, 100-unit, affordable multifamily building in condominium ownership with amenity space and 105 on-site parking spaces.

The Village Board recently rezoned the subject property, and others parcels in the general vicinity, to allow for the development of multifamily housing or multifamily housing over ground floor commercial uses, with a height of up to 5-stories. Following the adoption of the zoning amendment, the Village Board prepared and released an RFP to solicit proposals from the development community for the purchase and development of the subject property. In response to the Village's RFP, WBP Development, LLC submitted its proposal to purchase and develop the site, consistent with the underlying zoning and RFP, which was ultimately accepted by the Village Board in April of 2024. WBP Development, LLC has made application to the Village Board for a Special Use Permit and the Village Board, as Lead Agency, is currently evaluating the project pursuant to the State Environmental Quality Review Act (SEQRA).

EXISTING TAX REVENUE

Tax Lot 79.17-1-5 is owned by the Village of Croton-on-Hudson, contains surface parking only, and is tax exempt. Tax Lot 79.17-1-3 is also owned by the Village of Croton-on-Hudson but is improved with a 2-story office building and surface parking which is leased to Croton Point Realty, Inc. Tax Lot 79.17-1-4 is owned by Croton Point Realty, Inc. and is developed with a 1-story building and surface parking. The existing tax revenue generated by Tax Lots 79.17-1-3 and 4 is provided in the tables below. The estimated market values and assessed values were taken from the Town of Cortlandt 2024 tentative assessment rolls and the Village of Croton-on-Hudson 2024 final assessment rolls. Tax rates are current and were provided by <https://www.westchestergov.com/property-tax-rates>.

As can be seen from the below tables, the total combined current tax revenue from Tax Lots 79.17-1-3 and 4 is \$53,219.44, dispersed between the various applicable taxing jurisdictions in accordance with the pertinent tax rate. Further, relating to the lease between the Village of Croton-on-Hudson and Croton Point Realty, Inc., the Village receives an annual lease payment which is presently set in the amount of \$21,389.47, for the period of June 1, 2024 through May 31, 2025.

EXISTING TAX REVENUE – 79.17-1-3							
Taxing Jurisdiction	Village	Town	County	County Refuse	Ossining Sanitary	School	Library
Estimated Market Value	\$812,284	976,695	976,695	976,695	976,695	976,695	976,695.00
Equalization Rate	2.89	1.22	1.22	1.22	1.22	1.22	1.22
Assessed Value	\$23,475	\$11,525	\$11,525	\$11,525	\$11,525	\$11,525	\$11,525.00
Tax Rate	286.061	31.8	193.16	22.79	50.84	1294.366	28.024
Property Tax	\$6,715.28	\$366.50	\$2,226.17	\$262.65	\$585.93	\$14,917.57	\$322.98
Total Tax Revenue	25,397.08						

EXISTING TAX REVENUE – 79.17-1-4							
Taxing Jurisdiction	Village	Town	County	County Refuse	Ossining Sanitary	School	Library
Estimated Market Value	\$889,965	\$1,034,836	\$1,034,836	\$1,034,836	\$1,034,836	\$1,034,836	\$1,034,836
Equalization Rate	2.89	1.22	1.22	1.22	1.22	1.22	1.22
Assessed Value	\$25,720	\$12,625	\$12,625	\$12,625	\$12,625	\$12,625	\$12,625
Tax Rate	286.061	31.8	193.16	22.79	50.84	1294.366	28.024
Property Tax	\$7,357.49	\$401.48	\$2,438.65	\$287.72	\$641.86	\$16,341.37	\$353.80
Total Tax Revenue	\$27,822.36						

ANTICIPATED TAX REVENUE AND EVALUATION OF POTENTIAL FISCAL IMPACTS

The proposed action includes a 100-unit affordable multifamily building in condominium ownership. Based on an anticipated full market value of \$145,345 per unit and after applying the appropriate equalization rate of either 2.89 (Village) or 1.22 (all other taxing jurisdictions), the estimated assessed value per unit is computed to be \$4,200 for the Village and \$1,773 for all other taxing jurisdictions. As can be seen from the table below, the total combined anticipated tax revenue from the proposed development is \$4,075.45 per unit or \$407,546 combined for the 100-unit development, dispersed between the various applicable taxing jurisdictions in accordance with the pertinent tax rate. The anticipated full market value was determined by identifying the anticipated revenue,

less operating expenses, which equates to the Net Operating Income (NOI). The NOI was then divided by the anticipated cap rate (10.3%) to provide the full market value. For the purposes of this analysis, the full market value per unit is anticipated to be \$145,345, which will ultimately need to be evaluated by the Tax Assessor.

ANTICIPATED TAX REVENUE-100% AFFORDABLE CONDOMINIUM OWNERSHIP							
Taxing Jurisdiction	Village	Town	County	County Refuse	Ossining Sanitary	School	Library
Full Market Value Per Unit	\$145,345	\$145,345	\$145,345	\$145,345	\$145,345	\$145,345	\$145,345
Equalization Rate	2.89	1.22	1.22	1.22	1.22	1.22	1.22
Assessed Value Per Unit	\$4,200	\$1,773	\$1,773	\$1,773	\$1,773	\$1,773	\$1,773
Tax Rate	286.061	31.8	193.16	22.79	50.84	1294.366	28.024
Tax Revenue Per Unit	\$1,201.46	\$56.38	\$342.47	\$40.41	\$90.14	\$2,294.91	\$49.69
Total per 100 Units	\$120,146	\$5,638	\$34,247	\$4,041	\$9,014	\$229,491	\$4,969

Total project related tax revenue equals \$407,546 or \$4,075 per unit

When comparing the existing tax revenue generated under existing conditions (\$53,219.44), to the projected total tax revenue of the site following development as proposed (\$407,546), the tax revenue is expected to increase by a total of \$354,327. The change in tax revenue to each applicable taxing jurisdiction is presented in the below table. Note that the existing lease payment from Croton Point Realty to the Village in the amount of \$21,389.47 would cease and the net increase in revenue from the property to the Village would be \$84,684 yearly. This does not include revenue resulting from the sale of Village-owned land or the water and sewer fees which are expected to total approximately \$55,053/year, as presented below.

NET INCREASE IN TAX REVENUE-100% AFFORDABLE CONDOMINIUM OWNERSHIP							
Taxing Jurisdiction	Village	Town	County	County Refuse	Ossining Sanitary	School	Library
Existing Tax Revenue	\$14,073	\$768	\$4,665	\$550	\$1,228	\$31,259	\$677
Anticipated Tax Revenue	\$120,146	\$5,638	\$34,247	\$4,041	\$9,014	\$229,491	\$4,969
Change in Tax Revenue	+\$106,073	+\$4,870	+\$29,582	+\$3,491	+\$7,786	+\$198,232	+\$4,292

While not proposed by the applicant, at the Village’s request, we have estimated tax revenue based on a scenario where the same 100 units were rentals, 80% market rate and 20% affordable, as presented in the below table. Similar to above, expenses were subtracted from the total anticipated rental income to determine Net Operating Income, which was then divided by a cap rate of 10.30% to determine the full market value. For this evaluation, a full market value of \$24,941,368 or \$249,414 per unit was used.

ANTICIPATED TAX REVENUE-RENTALS, 80% MARKET RATE, 20% AFFORDABLE							
Taxing Jurisdiction	Village	Town	County	County Refuse	Ossining Sanitary	School	Library
Full Market Value Per Unit	\$249,414	\$249,414	\$249,414	\$249,414	\$249,414	\$249,414	\$249,414
Equalization Rate	2.89	1.22	1.22	1.22	1.22	1.22	1.22
Assessed Value Per Unit	\$7,208	\$3,043	\$3,043	\$3,043	\$3,043	\$3,043	\$3,043
Tax Rate	286.061	31.8	193.16	22.79	50.84	1294.366	28.024
Tax Revenue Per Unit	\$2,062.93	\$96.77	\$587.79	\$69.35	\$154.71	\$3,938.76	\$85.28
Total per 100 Units	\$206,293	\$9,677	\$58,779	\$6,935	\$1,571	\$393,876	\$8,528
Total Based on 100% Affordable Condo	\$120,146	\$5,638	\$34,247	\$4,041	\$9,014	\$229,491	\$4,969

Total project related tax revenue equals \$685,659 or \$6,857 per unit

It should be noted that the applicant is not proposing a rental building consisting of 80% market rate units and 20% affordable units, as analyzed above.

POPULATION PROJECTION AND PER CAPITA COSTS

Utilizing the demographic multipliers provided within the widely accepted study entitled “Who Lives in New Jersey Housing? The Profile of Occupants of Residential Development in New Jersey,” dated November 2018, it is anticipated that the proposed multifamily building, which is intended to be comprised of 100% affordable units in condominium ownership, will have a population of 147 persons, as follows:

TOTAL PROJECT POPULATION			
	Units	Rate*	Total Anticipated Residents
1 Bedroom	46	1.206	55.476
2 Bedroom	54	1.689	91.206
Total			147 persons

*Table II-A-1, Rutgers 2018

With a total Village population of approximately 8,237 persons, the proposed development is expected to increase the total Village population by 1.7%.

While not proposed by the applicant, if the same 100-units were rentals and 80% of the units were market rate units and 20% affordable, the anticipated project population would be 196 persons, as presented in the Table below.

TOTAL PROJECT POPULATION – 80% MARKET RATE/20% AFFORDABLE			
	Units	Rate*	Total Anticipated Residents
1 Bedroom - Affordable	9	1.551	13.959
2 Bedroom -Affordable	11	2.134	23.474
1 Bedroom - Market Rate	37	1.551	57.387
2 Bedroom Market Rate	43	2.355	101.265
Total			196 persons

*Table II-A-1, Rutgers 2018

As presented in a memorandum from this office, dated September 16, 2024 , regarding the projection of public school aged children generated by the development, several sources were examined, including the 1) 2018 Rutgers Study, 2) a local multiplier derived by AKRF, the Village’s planning consultant, after obtaining enrollment data from the Croton-Harmon Union Free School District (CHUFSD) in 2021 associated with several existing multifamily developments within the Village of Croton-on-Hudson and 3) an updated local multiplier based on more recent enrollment within Village multifamily housing provided to this office by the CHUFSD. Based upon the studies analyzed, the total number of public-school aged children resulting from the proposed development is expected to range between 1 and 22 students, dispersed between kindergarten and 12th grade. See memorandum from KSCJ Consulting, dated September 16, 2024, for further information regarding enrollment projections.

The CHUFSD 2024-2025 total budget is \$58,798,307; however, the District has identified that \$30,885,573 of the budget is attributable to instruction. Based on the current enrollment of 1,592 students (2024-2025) and budgetary expenses, a very conservative cost per pupil of \$19,400 can be computed. Based upon the anticipated number of students generated by the project, the anticipated added enrollment of between 1-22 students could cost the District between \$19,400 - \$426,800 per year. While this office was instructed by the Village to provide per capita costs based on the school budget and enrollment as a way of measuring fiscal impact, dividing the budget by the enrollment can provide an inflated value of what it actually costs the District when enrollment fluctuates. For instance, the District’s budget has steadily increased while enrollment has declined. According to the District’s enrollment projections, total enrollment is expected to continue to decline within an anticipated enrollment of 1,430 students in 2030. The 1 to 22 new public-school students, distributed through grades K-12, would represent a 0.06% - 1.4% increase. This increase is not expected to result in a significant impact on the District and is not likely to meaningfully change school operations or budget. The added tax revenue generated by the project is expected to cover the projected increase in public school children of between 1-22 students.

With a current Village population of 8,237 persons and an anticipated increase of 147 new residents resulting from the proposed development, per capita costs, as requested by the Village, are presented in the tables below.

PER CAPITA COSTS			
	Tax Levy/Expenditure	Population	Per Capita Cost
Village	\$13,248,263	8,237	\$1,607
Town	\$21,031,770	42,545	\$494
County	\$542,196,227	1,004,457	\$540
School	\$30,885,573	1,592	\$19,400

PER CAPITA COST BASED ON POPULATION INCREASE			
	Population Increase	Per Capita Cost	Total
Village Wide	147	\$1,607	\$236,229
Town	147	\$499	\$73,353
County	147	\$540	\$79,380
School	1-22	\$19,400	\$19,400 - \$426,800

COST/REVENUE COMPARISON			
	Tax Revenue	Cost	Value
Village Wide	\$106,073	\$236,229	(\$130,156)
Town	\$4,870	\$73,353	(\$68,483)
County	\$29,582	\$79,380	(\$49,798)
School	\$198,232	\$19,400- \$426,800	\$178,832 – (\$228,568)

While we are providing per capita costs, as requested by the Village, the proposed development is not expected to result in a negative fiscal impact to any of the taxing jurisdictions as municipal services to the development will be limited. The development includes privately owned driveways, parking areas, infrastructure and utilities which will be installed by the developer at no cost to the Village; these same features will be privately maintained and will not result in significant expenditures to the Village, Town or County government. All per capita cost evaluations presented herein are conservative because they are based on project population increase and we have not deducted a vacancy rate, which is typically 5%.

The development will connect to municipal water and sewer services. In addition to taxes owed to the Village, Town and County, the Village collects water and sewage fees based on usage. Based on anticipated water usage (8,178 gpd) and the Village’s fee structure, it is anticipated that the development would owe approximately \$47,162/year for water service and \$7,891/year for sewer service, as follows:

Water Service

- Village water rate is 11.8218 per unit of water
- A unit of water equals 100 cubic feet (cf)
- Estimated water usage is 8,178 gallons per day (gpd)
- 8,178 gpd equals 1,093 cfd
- $1,093 \text{ cfd} / 100 \text{ cf} = 10.93 \text{ units per day}$
- $10.93 \times 11.8218 = \$129.21/\text{day}$
- $\$129.21 \times 365 \text{ days} = \$47,162 \text{ per year}$

Sewer Service

- Village sewer rate is 1.9782 per unit of sewage
- A unit of sewage equals 100 cubic feet (cf)
- Estimated sewer usage is 8,178 gallons per day (gpd)
- 8,178 gpd equals 1,093 cfd
- $1,093 \text{ cfd} / 100 \text{ cf} = 10.93 \text{ units per day}$
- $10.93 \times 1.9782 = \$21.62/\text{day}$
- $\$21.62/\text{day} \times 365 \text{ days} = \$7,891 \text{ per year}$

Regarding the collection of refuse from the project site, according to the Village Manager, the Village will collect refuse from the site once per week and a second collection per week is permissible at a cost of \$400 per month, in addition to the County Refuse Tax which is anticipated to be \$4,041/year. While not anticipated, if more than two (2) collections per week is required, such additional collections would be completed by private carter.

EMERGENCY SERVICES

The subject property will be served by the Croton-on-Hudson Volunteer Fire Department which is comprised of five (5) fire companies, as provided below. Over the last five (5) years, the Croton Fire Department has averaged 440 alarms per year.

- Chemical Engine Company No. 1, 154 Grand Street: Engine 118
- Washington Engine Company No.2, 81 North Riverside: Engine 119, Tanker 10, Utility 208
- Harmon Engine Company No. 3, 30 Wayne Street: Engine 120
- Columbian Hook & Ladder Co. No.1, 154 Grand Street: Ladder 44
- Croton Fire Patrol Co. No.1, 30 Wayne Street: Rescue 18

Emergency medical service will be provided by the Croton-on-Hudson Emergency Medical Services (EMS) which includes two (2) ambulances, 55B1 and 55B2, stationed at EMS Headquarters located at 30 Wayne Street. Croton EMS is a volunteer organization which is supplemented with paid EMTs from Ossining Volunteer Ambulance Corps and paramedic service from the Mid-Hudson Ambulance District. Over the last five (5) years, Croton EMS averaged 972 calls per year.

The following table provides an estimation of the additional call volume that can be expected as a result of the project.

ANTICIPATED INCREASE IN CALL VOLUME			
	Calls Per Year*	Calls Per Person	Anticipated Additional Calls
Fire	440	.05	7
EMS	972	.12	18

Note: Call volume is a 5-year average taken from the provider's website; based on an existing population of 8,237 persons and an increase in population by 147 persons

The applicant has reached out to Village police, fire and EMS officials and has forwarded the project plans to each for review and comment.

PROPERTY VALUES

Based on recent research published by the Urban Institute, new affordable housing projects have a zero to net positive impact on surrounding property values. In a case study out of Alexandria, Virginia, affordable housing units in above-median income tracts are associated with a 0.06 percent increase in property values. Further, the increase in property values is noticeable within 1/16 of a mile from the project location and there is a zero effect on property values associated with properties which are of a greater distance. This latest study on the topic adds to previous research which identifies a positive relationship between affordable housing and property values and emphasizes that there is little evidence that subsidized housing reduces neighboring property values.