

3.19 Fiscal Impact Analysis

Introduction

This section analyzes the public and private fiscal and economic impacts associated with the proposed Depot Hill Farm development. Fiscal impacts to the Town of Amenia, Dutchess County and the Webutuck (Northeast) Central School District are evaluated in terms of the projected revenues the project will generate, compared to the costs associated with the new development. Refer to Appendix O for the supporting documents and calculations. School District Impacts and Emergency service impacts have been discussed in greater detail in Sections 3.13 and 3.11, respectively.

The fiscal and economic impacts analyses were prepared using the *Development Impact Assessment Handbook* (Robert W. Burchell, Ed., David Listokin, et al, Urban Land Institute, 1994) ["B & L"] as a model.

The analysis evaluates the proposed development's fiscal impact for three (3) different occupancy scenarios and for two (2) different forms of ownership. Those scenarios are: 100% primary homes; 50% primary homes and 50% vacation homes; and 100% vacation homes (0% full-time occupancy); all examined both as a single family home ownership and as a condominium form of ownership.

Additionally, a RIMS II analysis was performed to project fiscal impact as a result of construction activity, on-going operations and maintenance costs and home owner expenditures in the local economy.

The assumed selling price of the homes is a minimum of \$975,000, or \$375 per square foot. The minimum income level necessary to purchase a home at Depot Hill Farm as a primary residence is assumed to be approximately \$250,000; however, it is expected that the average household income for purchasers of homes at Depot Hill Farm will be approximately \$450,000.

Fiscal impact calculations include estimates for the assessed value of the agricultural and stud farm components of the Depot Hill Farm in addition to the residential and recreational components of the development.

One-time fees for building permits, recreation fees and mortgage recording fees are also discussed.

The B&L per capita fiscal impact analysis assumes that local governments and school districts collect and spend money in direct proportion to the number of students or residents served. This method does not use a "design year," rather it is based on current budgets and tax rates, and provides an evaluation of the condition that would be expected if the proposed development were already built and part of the taxing jurisdiction. The analysis makes the following three assumptions:

- That the new population will require the same kind and level of service from public facilities as does the current population;

- That public services can be provided without the outlay of public funds to develop or improve infrastructure; and,
- That the average costs generated by each new resident are the same as the average costs generated by current residents in the community.

B & L advise that some modifications to this methodology can and should be made based on information that is assumed or known about the proposed development and the community at large. For instance, “atypical housing types,” such as golf course developments, or extremely high-end or low-end developments may have distinctly different resident profiles, and therefore a different balance of municipal costs and revenues, than would be found in the general population¹. Another factor that may strengthen or weaken the analysis includes the age of the data used – in 2007, the most recent decennial census information was collected in 2000 and is growing increasingly outdated; inter-census population estimates provided by the Census Bureau and the Dutchess County Department of Planning vary widely, so analysis based on these estimates must acknowledge that the starting assumptions are already somewhat inaccurate before the analysis begins.

The per capita multiplier method for this analysis involved four steps. In the first step, the current level of spending per resident for each applicable governmental jurisdiction was determined by dividing the total budget for a service by the number of local residents. For instance, if a community of 1,000 residents has annual expenses of \$1,000,000, the expenditure per resident is \$1,000 ($\$1,000,000 \div 1,000 \text{ people} = \$1,000$). In the second step, the per capita cost was applied to the estimated number of new residents. If a new development is expected to raise a community’s population by 100, and the community has a \$1,000-per-resident annual expense, then the additional total expenditure is estimated to be \$100,000 ($\$1,000 \times 100 \text{ people} = \$100,000$). In the third step, new property tax revenues are estimated for each governmental jurisdiction using projected property values at current property tax rates. Finally, new costs derived from step two are compared to the new revenues derived from step three to determine where budget surpluses or shortfalls may occur.

One step not undertaken as part of this methodology is a correction for per capita costs based upon the valuation of non-residential property in the Town of Amenia. This step would normally assign a share of existing municipal expenditures to local non-residential uses based upon the difference in the average assessed value of non-residential property and the average assessed value of residential property. In general, this step would be expected to decrease the per capita costs associated with the Depot Hill Farm development, since the number of projected new residents would be divided into a smaller municipal expenditure figure (once costs assigned to existing non-residential uses were subtracted from the total municipal expenditures). However, because the Town of Amenia has very little non-residential development, this step was not undertaken because its completion would not materially impact the municipal service costs generated by the Depot Hill Farm development.

The per capita multiplier method is one of the most commonly used types of fiscal analysis because it is relatively simple to understand. It is especially good for evaluating residential development proposals where existing community expenditures can be easily attributed on a

¹ Burchell, p. 135

per-household or per-person basis. This model provides estimates of the impacts of development by looking at the situation that would occur if that development were part of the community at present, but it is less effective in demonstrating costs and benefits of major infrastructure improvements, or revenues derived from complex state and federal aid programs. It does not take into account the impacts of other future developments that are planned elsewhere in a given jurisdiction. This approach is intended to make the estimates more meaningful and understandable to citizens by providing tangible comparisons, rather than assumptions, about future conditions, but its ability to precisely predict future conditions is limited. Alternative methods of determining fiscal impacts within the school district in section and 3.13, and will be discussed below as well.

3.19.1 Existing Conditions

The project site consists of two tax parcels, ID #515886 (168 Depot Hill Road) and ID #403720 (216 Depot Hill Rd). Dutchess County Real Property Tax Service Agency's (DCRPTSA) online Parcel Access system was consulted on December 7, 2007, to determine the tax assessment for the parcels. The information supplied in the table below is current as of July 1, 2007, and the assessment level reflects the sale of the parcels to the applicant. Please see Appendix O for copies of these parcels' property cards. An agricultural exemption is applied to both properties, but the level of the two parcels' agricultural exemption is not the same. Agricultural exemptions are based on multiple factors, including production, farm income and soils.

Parcel #515886 has most recently been used to grow corn, and site improvements are limited to a large dairy barn, several pole barns and sheds, and a silo. There are no residential structures on the site. Parcel #403720 is actively being used as a horse farm, Keane Stud. There are three residences – two two-bedroom homes and one three-bedroom home – on the site that are occupied by farm employees and their families. Other structures include an administration building, six stables and several pole barns. Three people are currently employed full-time by Keane Stud Farm. Table 3-82 below shows current assessments of the two parcels.

	Tax Parcel #515886 168 Depot Hill Rd Town of Amenia	Tax Parcel #403720 216 Depot Hill Rd Town of Amenia (Keane Stud)	TOTAL
Land Use	Field Crops	Horse Farm	
Total (Full Market Value - FMV)	\$3,200,000	\$5,200,000	\$8,400,000
Land Value	\$3,008,000	\$4,146,500	\$7,154,500
Size (Acres)*	213.8	265.7	479.5
Land Value per Acre	\$14,069	\$15,608	\$14,839
Value of Improvements	\$192,000	\$1,053,500	\$1,245,500
Taxable Value**	\$710,522	\$1,279,765	\$1,990,287
Agricultural Exemption	\$2,489,478	\$3,920,235	\$6,409,713
Ag Exemption as % of FMV	77.8%	75.4%	
Ag Exemption as % of Land Value	82.8%	94.5%	
*	This is the area of land reported by Dutchess County Real Property Tax Service Agency's online Parcel Access system, although recent surveys performed on behalf of the applicant indicate that the size of the two parcels is slightly larger.		
**	The taxable value is the same for each taxing jurisdiction – Northeast School District, the Town of Amenia, special districts in the Town, and the County		

According to the Dutchess County brochure, "2008 County, Town, School and Village Tax Rates based on the assessment year of 2007," the combined tax rate for the Town of Amenia, Dutchess County and Webutuck Central School District for the fiscal year ending 2008 is \$15.24 per \$1,000 assessed value, with an equalization rate of 100%. The total taxable value of the two parcels was \$1,990,287, per the 2007 tax rolls, and the tax generated by the two parcels is approximately \$30,322.

Assessed Value, 2007 Tax Roll (100% equalized assessment)		
		\$1,990,287
Jurisdiction	Tax Rate per \$1,000	Tax generated
School District	\$10.80	\$21,495
Town	\$1.75	\$3,483
Fire District	\$0.40	\$796
County	\$2.29	\$4,558
TOTAL	\$15.24	\$30,332

Based on a per capita fiscal analysis, discussed in detail in the “Potential Impacts” section of this chapter, the current levels of spending for each of the taxing jurisdictions are shown in the table below.

	Total Expenditures	No. of users	Gross per-user spending
School District Costs	\$20,119,602	907 ¹	\$22,183
Town Costs	\$2,596,490	4,286 ²	\$606
Special District (Fire Department) Costs	\$159,700	1,000	\$160
County Costs	\$393,907,378	292,746 ²	\$1,346

¹ Based upon discussion with Dr. Johns, WCSD Superintendent, meeting on 7/9/08.

² Estimated Population as of July 1, 2007 – U.S. Census Bureau.

The fiscal demands arising from current use and occupancy of the site are minimal. The site is not served by municipal water or sewer systems, although it is within the Amenia Fire District. According to the demographic multipliers produced by the Center for Urban Policy Research at Rutgers University, the two two-bedroom and one three-bedroom houses would be expected to house fewer than two school-age children collectively; two bedroom single family homes generate, on average, between 0.30 and 0.36 children per unit, while three-bedroom houses generate, on average, between 0.71 and 0.85 school-age children.

3.19.2 Potential Impacts

Target Market

The target market for the proposal is affluent primary and secondary homebuyers. At first, it is expected that the proposed development will attract mainly second-homebuyers who seek the convenience of low-maintenance condominium living, but prefer a single-family home and access to the outdoors. There are likely to be other families, couples or individuals who split their time between the city and the country according to preference or convenience. Proximity to commuter rail and the ability to telecommute are among the factors influencing this kind of flexibility. It is anticipated that as the development ages, some households initially composed of “weekenders” would make the transition to become full-time residents, so that ultimately, the population of the community could be split nearly equally between primary and secondary homeowners.

The second-homeowners would come mainly from the New York City metropolitan area, although some households may consist of retirees who have winter residences in similar equestrian communities in the southern or western United States. The primary homebuyers would consist of people working both in New York City and regionally, although the New York City market is considered the project’s most significant market.

The fiscal impact analysis consists of three scenarios – the first scenario describes a development with 100% full-time residents, the second scenario assumes that 50% of residents will be full-time residents, and the third scenario assumes the development has 0% full-time residents. The 100% full-time scenario is a more conservative one as far as municipal spending is concerned, while the 50% scenario and the 0% scenario are more conservative when assessing the impacts of spending by individuals. All three scenarios are examined based upon both a condominium form of ownership and a single family home form of ownership.

New population at the site has been estimated using published multipliers for New York State, as discussed in Section 3.20, Demographics. In the 100%-full-time scenario, there would be 137 households occupied by approximately 503 to 508 residents, with 119 public-school enrolled children. In the 50% full-time scenario, it is assumed that 69 of the households would occupy their homes 100% of the time. With an average household size of approximately 3.7 persons, there would be 256 residents, 60 of whom would be children enrolled in the public school system. The other half of the residents are assumed to occupy Depot Hill Farm 2/7 of the time (approximately 28.6%, the equivalent of two days per week, or 15 weeks per year), so that the 256 part-time residents would equal 73 full-time residents. It is assumed that none of the children in the part-time households would attend schools in the district. Altogether, the equivalent full-time occupancy is 329 residents with 60 children in local public schools if Depot Hill Farm is occupied by 50% full time residents. In a 0% full-time occupancy scenario, no school children would attend local schools, and the 508 part-time residents would equal 146 full-time residents.

Selling Price

The Applicant covenants that it will not sell homes averaging less than \$975,000 or \$375 per square foot. The minimum Depot Hill Farm can charge is \$375 per square foot, given land costs, expenditures for approvals, costs provided by its builder, plus all site improvements including water, sewer, stormwater and utility infrastructure and the equestrian facility. It should be noted that the equestrian center amenity contributes less than \$11 to the square foot cost.

Income Level

Primary Residence: The minimum income level necessary to purchase a home at Depot Hill Farm as a primary residence is assumed to be approximately \$250,000. Using the mortgage payment calculator at Bankrate.com², a 30-year conventional mortgage for \$780,000 (80% of sales price) at 6% interest would result in a monthly payment of \$4676.49. Assuming that property taxes, insurance and other fees would be \$25,000 annually based on a 50% FMV valuation and current \$20/\$1000 tax rate (approximately \$835/month), and other fees and insurance would be \$1,250/month, the total monthly payment would be \$6,926. If “affordable” housing costs are estimated to be 33% of income, a household would need an income of \$20,778 monthly, which is the equivalent of \$249,336 annually, to purchase a \$975,000 home as a primary residence. However, as noted previously, the expected average household income for purchasers of units at Depot Hill Farm is approximately \$450,000.

² <http://www.bankrate.com/brm/calculators/mortgages.asp>

A minority of residents may have incomes significantly lower than \$250,000, such as retirees who have the capital to purchase a home outright but may live on a “limited” (but still relatively high) income, and younger households who have sold property.

Secondary Residence: Second home households are likely to be more affluent than primary homeowners, although the extent to which this is true depends, in part, on their other housing expenses. Because the income of second home-owners is variable, and does not contribute to calculations of school district wealth that would impact school aid eligibility, the precise figure is difficult to estimate.

Mean Income Level: According to the U.S. Census Bureau, Current Population Survey, 2007 Annual Social and Economic Supplement, *Table HINC-06. Income Distribution to \$250,000 or More for Households: 2006* the mean income for all households with greater than \$250,000 annual income is \$448,687. To be conservative, this has been used as the per-household income estimate for school aid calculations and secondary impacts due to residents' spending.

Projected Impacts

Population

The projected population of the new development was determined using demographic multipliers developed by Rutgers University Center for Urban Policy Research [Rutgers University, Center for Urban Policy Research. Residential Demographic Multipliers - Estimates of the Occupants of New Housing (Residents, School-Age Children, Public School-Age Children) by State, Housing Type, Housing Size, and Housing Price]³. Please see the complete multiplier table in Appendix O, which provides information derived from the multipliers regarding the anticipated population of the proposed development. More information regarding the demographics of the proposed development can be found in the Demographics section, 3.20. Table 3-85 below shows the age breakdown that would be expected in a typical new development. It is based on the assumption that all 137 of the single family dwellings have four bedrooms and will be sold for greater than \$329,500 (this value represents the lowest value in the third tercile). The average number of people in such households is 3.67, as reported by the abovementioned demographic multipliers.

# of units	Total persons	School Age Children	Total Public School	Over 65
137	503	144	119	16

³ Prepared by: Robert W. Burchell, Ph.D., David Listokin, Ph.D., William Dolphin, M.A.; Center for Urban Policy Research/Edward J. Bloustein School of Planning and Public Policy; Rutgers, The State University of New Jersey, June 2006]

The following table (Table 3-86) contains detailed breakdown by age group. Please note that the number of people in each age group in the table below is rounded up, so the total number (508) exceeds the total number (503) in Table 3-85, above. The rest of this analysis uses the higher number of residents (508) as the basis for calculations, because it provides the most conservative estimate of new costs:

Table 3-86 Depot Hill Farm Population by Age								
0-4 years	5-13 years	14-17 years	18-24 years	25-44 years	45-64 years	65-74 years	75+ years	TOTAL
59	118	27	20	173	94	11	6	508

School District

The following table (Table 3-87) contains detailed information by grade level group and public school enrollment, assuming that all 137 homes are occupied by full-time residents. Grade level group multipliers for public school enrolled children were obtained from the Rutgers University demographic information. Please note that again, the number of people in each grade level group in the table below is rounded up, so the total number exceeds the total number of public school enrollees in Table 3-86, above. The more conservative value for the number of public school children expected in a 137-unit development will be used as the basis for the final calculation of the number of school children generated by the proposal.

Table 3-87 New Public School Enrollment by Grade-level Group					
	K-2 grade	3-6 grade	7-9 grade	10-12 grade	TOTAL
all school age children	42	52	32	19	144
public school (assume 137 full-time households)	33	44	26	15	119
average new public school students per grade	11	11	8.67	5	

The fiscal impacts to the school district are discussed in Section 3.13.

Town and County

The per capita analysis suggests that spending at the Town and County levels will also increase as a result of the new development. Households with part-time residents may also have a decreased need for local services, but the per capita analysis has assumed that their demands would be the same as their full-time neighbors. The Town and County cost increases are based on an increase of 508 residents under the 100% scenario, and 329 full-time equivalent residents under the 50% scenario. For the 0% occupancy scenario, it is conservatively assumed that Town and County costs will be the same as under the 50% full-time occupancy scenario.

Tables 3-88 and 3-89 summarize the projected costs for the various taxing jurisdictions.

Costs	Condo-100% FT	Condo-50% FT	Condo-0% FT
Town of Amenia	\$183,896	\$119,098	\$119,098
Amenia Fire	\$21,920	\$21,920	\$21,920
Dutchess County	\$375,412	\$243,131	\$243,131

Costs	Single Family-100% FT	Single Family-50% FT	Single Family-0% FT
Town of Amenia	\$183,896	\$119,098	\$119,098
Amenia Fire	\$21,920	\$21,920	\$21,920
Dutchess County	\$375,412	\$243,131	\$243,131

Town of Amenia: The analysis assumes that the proposed development will not rely on existing town water and sewer systems, but instead will have its own systems owned and operated by a COA. All roads on the site will be private and maintained by the COA. New infrastructure costs are thus assumed to be zero. The table below provides a summary of new town-wide costs based on per-capita costs among the existing population, and can be found in Appendix O.

In the 2008 Town Budget, General Fund appropriations were \$1,552,900, approximately \$362 per person, based on an estimated 2008 population of 4,286.

Expense Category	Expenditures per Unit	Number of New Units	Increased Expenditures
General Fund	\$362 per capita	508 residents	\$183,896
Highway	\$32,210 per mile of town road	0 miles	\$0
Amenia Fire District	\$160 per residence	137 residences	\$21,920
TOTAL NEW COSTS TO TOWN			\$205,816

General fund spending is not likely to increase by as much as \$184,000 as a result of the new population anticipated at Depot Hill Farm. Very few of the Town's General Fund categories have

a direct per capita basis; current staffing levels among the Town's administrative and public works departments exceed planning standards described in the *Development Impacts Assessment Handbook* by Burchell and Listoken. Further, the anticipated balance between full and part time residents means that spending would be further decreased, as part-time residents would have fewer needs. Based on the 329 full-time occupancy equivalents discussed above, General Fund spending would be \$119,098 according to the per capita analysis methodology. Fire department spending would remain the same, because there are still the same number of units to protect.

Public Safety and Culture and Recreation appropriations are the components of the Town budget that have the greatest potential to be influenced by the size of the population, and might require higher spending as a result of a sudden rise in population. The Town of Amenia's 2008 Budget allocates \$90,440 to Public Safety and \$157,970 to Culture and Recreation. Public Safety includes police and constable services, traffic control, dog control, safety inspection and civil defense; while Culture and Recreation includes spending for park, playground and recreation center maintenance, supplies and improvements, summer recreation program, special recreational facilities, youth baseball, softball and soccer, and library and town historian. Together, spending in these categories is \$248,410, or \$57.96 per person. With the addition of 508 new people at \$57.96 each, an increase of \$29,444 might be expected. With the addition of 329 people, the increase would be only \$19,069.

Changes in Demand for Town Services

As discussed in Section 3.11, Depot Hill Farm itself would not increase the demand for new services significantly, but it does hasten the Town's existing desire to upgrade existing facilities – according to the planning standards, for instance, the town currently requires less than one EMS vehicle (which it has) and less than one EMS full-time employee (which it does not have yet, but has been considering regardless of new development because of the difficulty finding volunteers), and the number of residents anticipated at Depot Hill Farm does not create a greater demand. The fire company, with its three engines and several auxiliary vehicles, is well-prepared to meet increased demand for fire vehicles stemming from the proposed development. Based on planning standards and the information provided by the Amenia Fire Company and Rescue Squad, the services available are adequate to serve the new demand created as a result of development at Depot Hill Farm, and the Fire Company has a realistic understanding of its growing needs.

The Town of Amenia has approximately 10.5 full-time-equivalent (FTE) positions in its general government, service and administrative positions, and seven FTEs among its highway and water system employees, as shown in Table 3-91, below.⁴ Like many small towns, Amenia augments its regular staff with contracted consultants such as attorneys and web designers; these positions have not been included in the tally of workers. Some employees wear more than one hat, and hold multiple part-time positions. The planning standards referred to in the table below have divided municipal employment into four general categories: general government, public safety, public welfare (incorporating recreation, health and cultural positions) and public

⁴ Amenia Town Board Minutes, Reorganizational Meeting, January 2, 2008 and January 2, 2007., conversation with Lana Anguin-Cohen, June 25, 2008.

works. Because of Amenia’s small size, the first three categories have been blended to account for overlap of job titles and responsibilities characteristic of small municipalities.

	Planning Standard (per 10,000 residents)	Staff levels for 4,165 residents	Staff Levels for 4,673 residents (100% full-time)	Staff levels for 4,494 residents (50% part-time, 50% full time)	Current Staffing levels, T/o Amenia
General Government	10.9	4.5	5.1	4.9	
Public Safety (other than police, fire & EMS)	0.8	0.3	0.4	0.4	
Health, Recreation, Culture and Welfare	11.9	5.0	5.6	5.3	
SUBTOTAL, staffing other than DPW	23.6	9.8	11.0	10.6	10.5
Public Works	14.2	5.9	6.6	6.5	7.0
TOTAL	37.8	15.7	17.7	17.1	17.5

Based on the planning standards, The Town of Amenia is adequately staffed, with an expected demand for 9.8 general staff positions and 5.9 public works staff being met by 10.5 general government and other administrative positions and 7 public works positions. The planning standards suggest that Depot Hill Farm may result in the need for one part-time position, or an increase in existing part-time staffing to full-time. Increases in Town spending would likely remain well below the level predicted by the per capita analysis. Allocation of funding to public safety and recreation and culture, and the addition of a single half-time staff person could be achieved at relatively low cost.

Dutchess County: The per-capita method of analysis suggests Dutchess County costs would increase by \$683,260, based on current spending levels of \$1,346 per capita and 508 new residents. With a total budget of \$393,907,378, this represents approximately 0.17% of the County’s spending. If 329 full-time equivalent residents are assumed, the spending increase is \$442,834. Table 3-92 provides a summary of new county costs, and can be found in Appendix O.

Expense Category	Current Expenditures per Capita	Number of New Residents	Increased Expenditures
General Gov't Support	\$149	508	\$75,692
Transportation	\$89	508	\$45,212
Community Services	\$40	508	\$20,320
Education	\$118	508	\$59,944
Safety	\$246	508	\$124,968
Health	\$173	508	\$87,884
Economic Assistance & Opportunity	\$454	508	\$230,632
Culture and Recreation	\$14	508	\$7,112
Employee Benefits	\$32	508	\$16,256
Debt Service	\$30	508	\$15,240
	TOTAL NEW COSTS TO COUNTY		\$683,260

As at the Town and School levels, the per capita analysis of the County is inadequate to fully assess the new costs arising as a result of new development. Economic Assistance and Opportunity, which accounts for the largest spending category in the County budget, is directed toward low-income members of the community, and based on the assumed demographic profile of Depot Hill Farm's home-buyers, there is not expected to be an increase in demand for these services. Similarly, approximately 50% of the Health Department, Education and Culture and Recreation programming is aimed at low-income and other disadvantaged populations. Deducting the total per-capita estimate for Economic Assistance and Opportunity expenditure, and half the per-capita estimate for Health Department, Education and Culture and Recreation expenditures, the resulting per-capita cost would be approximately \$739, resulting in new expenditures estimated at \$375,412 for a population of 508 full-time residents. This is approximately \$307,850 less than is predicted by the per-capita analysis. With 50% part-time residency, the overall expenditure is reduced to \$243,131, more than \$440,000 less than is predicted by the per-capita analysis.

Revenue

Residential units will be sold as condominiums for a minimum average price of \$975,000, according to the Applicant. In New York State, at the present time, condominiums are not assessed in the same way as properties owned fee-simple (proposed legislation would remove this distinction). Fee-simple properties are assessed individually at the market value of comparable units, and only single-family homes may be owned in this way. In condominium developments, assessments are based on the aggregate market value of all units in the development. Condominium units are still assessed individually, but the aggregate assessment of all units in a development cannot exceed the market value of the development as a whole, as if the development were to be sold and used as rental housing.

Evaluated as 137 fee-simple properties, each with a market value of \$975,000, added to the estimated taxable value of Keane Stud Farm (after development of the residential component of the project diminishes Keane Stud's land holdings), which is \$1,113,954, the proposed project has an aggregate assessed value of \$134,688,954. Under the condominium assessment method presently required by New York, the aggregate assessed value of the development is \$67,901,454. Appendix O presents all calculations used to determine market value for the combined properties and uses. The method used to arrive at this valuation is described below.

Condominium Valuation: The assumption used for the proposed development at Depot Hill Farm is that condominium assessments are 50% of their market value. This is a commonly used rule-of-thumb applicable to properties in New York State, where condominium properties are valued in the same way as commercial or rental properties. Note that the stud farm assessment, which is separated from the condominium uses and amenities, includes associated agricultural land, accounting for the agricultural assessment, as well as improvements to the site. The future value of Keane Stud Farm site improvements will be comparable to the current value of Keane Stud Farm improvements. Some existing structures will be relocated to make room for residential development. Improvements on the former Syms parcel are not included among the Keane Stud Farm improvements. The dairy barn on the former Syms parcel will be reused as a solid waste collection point for residents of the development; other structures on this parcel are slated to be removed.

RESIDENTIAL:	
includes arena & conservation land	
total units	137
FMV per unit	\$975,000
total FMV	\$133,575,000
50% condo valuation	\$66,787,500
STUD FARM :	
land value of current farm	\$4,146,500
current acreage	265.66
post-development acreage	70.98
% of original acreage	26.7%
post development value of land	\$1,107,877
current ag exemption as % of land value	94.5%
post development with ag exemptions	\$60,454
value of improvements	\$1,053,500
Market value	\$1,113,954
TOTAL	\$67,901,454

The assessment used for the fiscal analysis assumes that purchase of the homes includes use of and access to the riding arena, recreational open space and other amenities as part of the condominium agreement. Based on a condominium valuation of 50% of sales price, one unit and its associated amenities would be assessed at \$487,500 and 137 units would be assessed at \$66,787,500. The stud farm assessment would be \$1,113,954, based upon the current value of improvements and the post-development land value. The total assessment for the project would be \$67,901,454.

To check the accuracy of this method of valuation, Dutchess County condominium sales greater than \$290,000 made during 2007 and 2008 were compiled using Parcel Access on the Dutchess County website, and the ratio of Assessed Value (AV) to sales price (SP) was determined for sales in the Towns of Rhinebeck, Hyde Park and Millbrook, and the Village of Rhinebeck. In all of these communities except Hyde Park, the equalization rate is 100%, meaning that the assessed value will be equal to the full market value of a property in most cases, while in Hyde Park it is 46%. Municipalities in the county (Town and City of Poughkeepsie, City of Beacon, Town and Village of Fishkill and Wappingers Falls) that have adopted the "homestead tax option," which allows the municipality to tax residential and commercial properties at two separate rates, with condominiums taxed at the same rate as other residential units, were not included in the analysis.

The average AV:SP for the 14 condominium sales occurring in 2007 and 2008 is 55%, in line with the New York State condominium assessment method used previously. In Hyde Park alone, the AV:SP ratio averages 85% for the two sales taking place in 2007 and 2008. Without factoring in Hyde Park, the average AV:SP is 51%, closer to the 50% rule-of-thumb assessment.

NET FISCAL IMPACT – DEPOT HILL FARM DEVELOPMENT

In order to complete the net fiscal impact determination for the proposed Depot Hill Farm development, the revenues and costs attributable to the proposed development and calculated previously in this chapter were compared to one another for the Town of Amenia, Dutchess County and the Amenia Fire District. The fiscal impacts to Webatuck Central School District are included in 3.13.

Projected Annual Property Tax Revenues by Tax Jurisdiction

The potential tax revenues as a result of the Depot Hill Farm development for both condominium ownership and single family home ownership are summarized in Tables 3-94 and 3-95. It is also important to note that these revenue calculations do not include estimates for potential one-time revenue sources, such as recreation fees, building permit fees and mortgage tax revenues. These two summary tables only include projected annual recurring property tax receipts that would be realized as a result of the proposed Depot Hill Farm development.

Table 3-94 Potential Property Tax Revenue - Condominium Ownership				
Tax Revenue		Condominium Ownership		
Tax Jurisdiction	Tax Rate	Projected Tax Revenue	Current Tax Revenue	Net Tax Revenue
Town of Amenia	1.75	\$118,828	\$3,483	\$115,345
Amenia Fire	0.40	\$27,161	\$796	\$26,365
Dutchess County	2.29	\$155,494	\$4,558	\$150,936
Total	4.44	\$301,483	\$8,837	\$292,646

Note: Based upon total assessed value of \$67,901,454.

Table 3-95 Potential Property Tax Revenue-Single Family Ownership				
Tax Revenue		Single Family Home Ownership		
Tax Jurisdiction	Tax Rate	Projected Tax Revenue	Current Tax Revenue	Net Tax Revenue
Town of Amenia	1.75	\$235,706	\$3,483	\$232,223
Amenia Fire	0.40	\$53,876	\$796	\$53,080
Dutchess County	2.29	\$308,438	\$4,558	\$303,880
Total	4.44	\$598,020	\$8,837	\$589,183

Note: Based upon total assessed value of \$134,688,954.

Projected Annual Service Costs by Tax Jurisdiction

The calculated potential service costs for each tax jurisdiction are summarized in Tables 3-96 and 3-97. These costs are presented for three different “time in occupancy” scenarios (100% FT, 50% FT and 0% FT) under both condominium ownership and single family home ownership.

In addition, it should be noted that under the per capita methodology, the potential costs to the Town of Amenia and Dutchess County in the 0% FT scenario could be calculated as \$0. By definition, since there would be no full-time residents under this scenario, there would not be any costs associated with them for the Town or County. However, even with no full-time residents, there is likely to be some incidental costs to the Town and County associated with the proposed development; the exact extent of these costs, while likely quite small, is difficult to pinpoint. In the interest of presenting a conservative analysis, the costs associated with the proposed Depot Hill Farm development under the 50% FT scenario have been used for the costs under the 0% FT scenario. While this measure likely overstates the costs for the Town and the County under the 0% FT scenario, it does allow for an accounting of any incidental costs that could arise.

Table 3-96			
Potential Costs by Taxing Jurisdiction-Condominium Ownership			
Costs	Condo-100% FT	Condo-50% FT	Condo-0% FT
Town of Amenia	\$183,896	\$119,098	\$119,098
Amenia Fire	\$21,920	\$21,920	\$21,920
Dutchess County	\$375,412	\$243,131	\$243,131
Total	\$581,228	\$384,149	\$384,149

Table 3-97			
Potential Costs by Taxing Jurisdiction-Single Family Home Ownership			
Costs	Single Family-100% FT	Single Family-50% FT	Single Family-0% FT
Town of Amenia	\$183,896	\$119,098	\$119,098
Amenia Fire	\$21,920	\$21,920	\$21,920
Dutchess County	\$375,412	\$243,131	\$243,131
Total	\$581,228	\$384,149	\$384,149

Net Fiscal Impact by Tax Jurisdiction

Tables 3-98 and 3-99 present the projected total net fiscal impact for all tax jurisdictions, except WCSD, as a result of the proposed Depot Hill Farm development for all scenarios examined. Potential impacts to WCSD are discussed in 3.13.

Table 3-98			
Projected Net Fiscal Impact-Condominium Ownership			
Net Fiscal Impact	Condo-100% FT	Condo-50% FT	Condo-0% FT
Town of Amenia	(\$68,551)	(\$3,753)	(\$3,753)
Amenia Fire	\$4,445	\$4,445	\$4,445
Dutchess County	(\$224,476)	(\$92,195)	(\$92,195)
Total	(\$288,582)	(\$91,503)	(\$91,503)

Net Fiscal Impact	Single Family-100% FT	Single Family-50% FT	Single Family-0% FT
Town of Amenia	\$48,327	\$113,125	\$113,125
Amenia Fire	\$31,160	\$31,160	\$31,160
Dutchess County	(\$71,532)	\$60,749	\$60,749
Total	\$7,955	\$205,034	\$205,034

One-Time Revenues and Fees

Other taxes and fees collected by the Town and County – including sales tax, fees, traffic fines, rental of municipal facilities, etc. – will likely increase as a result of the proposed Depot Hill Farm development, assuming a full-time population. However, the magnitude of any increase in miscellaneous fees and taxes is very difficult to project with an acceptable level of accuracy. Therefore, in terms of additional non-property tax revenues, this analysis will only examine three specific fees and taxes which can be quantified with some certainty. These fees and taxes are Recreation fees, Building Permit fees and the Mortgage Tax.

Recreation Fees: For every dwelling unit constructed, a recreation fee of \$2,500 will be collected by the Town of Amenia. With 137 housing units proposed at Depot Hill Farm, the Town stands to collect \$342,500 in one-time recreation fees.

Building Permit Fees: Based upon a phone call to the Amenia Building Inspector’s Office, it was determined that building permit fees for residential structures are based upon the estimated cost of construction of the structure. A fee of \$35 is charged for the first \$1,000 of estimated construction cost, and an additional fee of \$5 is charged for each additional \$1,000 of estimated construction cost. With an estimated construction cost of \$627,000, each housing unit at Depot Hill Farm will generate a total building permit fee of approximately \$3,165 ($\$35 + (\$5 \times \$626,000) = \$35 + \$3,130 = \$3,165$). This fee may vary somewhat if there are certain amenities and/or unique structural features (fireplaces, etc.). With 137 housing units proposed, the Town stands to collect approximately \$433,605 in building permit fees as a result of the proposed Depot Hill Farm development.

Building permit fees will also be generated as a result of constructing the horse farm amenities. However, commercial building permit fees are based upon square footage, with a fee of \$45 for the first 1,000 square feet levied plus a \$7 fee for each additional 1,000 square feet. Based upon these figures, the building permit fees for the horse farm component of the development will likely be small and have not been specifically quantified for this analysis.

Mortgage Tax: A mortgage tax of 1.3% would be levied against the mortgage principal amount for any home sold in the Depot Hill Farm development. Of this 1.3%, 0.25% is made available to the County, while the other 1.05% is used to support the Metropolitan Transportation Authority and other initiatives. Normally, it could be assumed that the mortgage principal amount for a new home would represent 80% of the sales price. However, since Depot Hill

Farm will be geared toward households purchasing second homes or retirement homes, it is quite possible that these households will be able to provide a larger down payment than 20% of the sales price. Thus, it is assumed for this analysis that the mortgage principal amount for homes at Depot Hill Farm will be approximately 70% of the average sales price of the proposed housing units.

A sales price of \$975,000 with 70% financed via a mortgage results in a mortgage principal amount of \$682,500. Multiplying this amount by 0.25% results in an estimated mortgage tax of \$1,706. Multiplying this mortgage tax by 137 housing units yields a total of \$233,722 in mortgage tax revenues to the Town and County.

Summary: In summary, the Town of Amenia and Dutchess County stand to collect a minimum of \$1,009,827 in one-time miscellaneous non-property tax revenues, fees and taxes as a result of the proposed Depot Hill Farm development. This figure will likely be somewhat higher since only three primary fees and taxes have been calculated; other fees not calculated herein should add to this revenue total. This infusion of non-property tax revenue will be a useful source of funds should the need arise to mitigate any costs associated with the Depot Hill Farm development that are not covered by traditional property tax receipts.

REGIONAL ECONOMIC IMPACT

The construction and operation of the proposed Depot Hill Farm residential development will generate direct and indirect economic activity in the region. The planned 137 dwelling unit agriculturally-focused residential community will be built out over a roughly three-year period. Positive economic impacts will evolve from the construction and on-going operation of the community, and the economic activity generated by the resident population will also impact the regional Dutchess County economy.

Summary of Economic Impacts

Four primary types of economic impact resulting from the proposed Depot Hill Farm development are discussed in this section:

- Construction period direct effect benefits, including the initial expenditures associated with building the project (the on-site construction costs) and the employment of construction contractors and workers necessary to develop the project.
- Secondary, or indirect, benefits of the construction phase that are comprised of the spinoff economic activity that results from the spending of wages and purchase of goods and services associated with the proposed development.
- The operational period direct benefits, comprised of the on-site jobs and payroll necessary to support the operation, management, and maintenance of the proposed development.
- The impact of household spending for goods and services in the regional economy during the operational period of the Depot Hill Farm development.

Construction Period Direct Economic Benefits

The proposed development will introduce considerable economic activity into the Dutchess County region, with an immediate effect on the economy of Amenia and surrounding communities. This increased activity will first take place during the construction phase of the project. The construction period direct economic benefits discussed herein are consistent for the proposed development regardless of the level of full-time occupancy of the 137 residential units.

The first step in estimating the economic impact of the construction of the Depot Hill Farm development involves utilizing the estimated construction costs from project sponsor data to project the number of construction workers required for the project. According to this data, the total projected development expenditures are estimated at \$130,287,000. Of this total, \$104,887,000 is for hard construction costs, \$10,450,000 is for soft costs, and the remaining \$14,950,000 is for land cost, environmental approvals and interest costs. Thus, the actual physical construction costs are estimated at \$104,887,000 (the hard construction cost total).

Determining the regional economic impact of a proposed development requires an analysis of construction costs that are incurred for work conducted at the location of the development site. In most cases, most if not all of the construction costs of a development fall into this category. However, in the case of Depot Hill Farm, a development process of off-site prefabricated construction methods will be used; it is estimated by the developer and Bensonwood, the timberframing construction company which will manufacture the panels comprising the dwelling units, that between 70%-75% of construction using this process occurs off-site. Since Bensonwood is located in New Hampshire, a significant component of the Depot Hill Farm construction costs will be spent outside of the Dutchess County region. Therefore, an appropriate reduction in the total physical construction costs must be made to account for this unique element of the development.

Of the \$104,887,000 in hard construction costs, \$12,330,000 is related to site work; \$4,000,000 is for the construction of elements of the horse farm, and \$2,658,000 is for construction contingencies. It can be assumed that all of these cost components will be spent on-site. The remaining \$85,899,000 of hard construction costs is for the actual construction of the 137 dwelling units. If 70% of the construction work will occur outside of the Dutchess County region, it can be assumed that roughly 70% of the construction costs will be spent outside of the region as well. Therefore, only 30% of the physical construction costs for the dwelling units would be injected into the Dutchess County regional economy.

Applying 30% to \$85,899,000 results in a total on-site expenditure of \$25,769,700 for construction of the dwelling units. Adding this result to the costs for site work, elements of the horse farm and construction contingencies results in a total of \$44,757,700 in on-site construction costs that would be injected into the regional economy. This figure includes expenditures for labor from the local and regional labor pool and the purchase of construction materials in the local and regional area. This figure will serve as the basis for subsequent regional economic impact calculations

Estimated Labor Costs/Expenditures

The proposed development's projected investment of approximately \$44.8 million in on-site construction costs will have a significant positive impact in the creation of jobs for construction workers in the region. To build the Depot Hill Farm development, approximately 45 construction

workers will be needed annually for a period of three years to complete the proposed project. These following steps were used to calculate this estimate:

Step 1: Estimate the Labor Costs Required to Build Proposed Development

For this project, it is estimated that labor costs will constitute an approximately 40% of the total on-site construction costs associated with the development. Therefore, labor costs are projected at \$17,903,080.

Step 2: Estimate the Number of Construction Hours Required to Build Development

Dividing the estimated labor costs from Step 1 by the average hourly compensation per construction worker yields an estimated number or total construction hours. According to industry sources, the average hourly compensation per worker, factoring in wages, fringes, profit and overhead is approximately \$70. Therefore, dividing \$17,903,080 by \$70 per hour yields 255,758 total construction hours.

Step 3: Estimate the Number of Construction Hours per Year

Next, estimate the number of construction hours per year by dividing the total number of construction hours from Step 2 by the proposed length of the construction phase. Project sponsor data assumes the proposed project will be developed over three years. Therefore, 255,758 total construction hours divided by 3 years yields 85,253 construction hours per year.

Step 4: Estimate the Number of Construction Workers Required Per Year

Dividing the number of construction hours required per year to complete the project in three years by the average number of hours a typical construction worker labors per year yields an estimate for the number of workers the project will require annually during the construction phase. Statistics from the Bureau of Labor Statistics indicate that in May 2008, the average weekly hours of residential construction workers were 36.7. Multiplying this by 52 weeks estimates that the average residential construction laborer works approximately 1,908 hours per year. Therefore, dividing 85,253 construction hours per year by 1,908 hours worked per year by each worker estimates that 45 construction workers will be needed annually over the course of three years to build the proposed project.

Therefore, the direct economic impact of the construction phase of the proposed Depot Hill Farm development will be the estimated employment of 45 construction workers per year working on-site over a three year period. The creation of these jobs will immediately and positively benefit the construction industry in and around the Dutchess County region.

Construction Period Secondary Economic Benefits

While the creation of 45 on-site construction jobs per year over the estimated three year construction period and associated payrolls will provide a direct economic impact to the region, the area will also benefit from a variety of secondary economic impacts resulting from this project. Much of the initial investment made to develop the project will remain in the local economy. The primary reason for this is that many of the contractors and laborers constructing the project will come from and spend their wages in the region. This spending tends to circulate repeatedly throughout the economy, making the eventual economic impact a multiple of the initial expenditure. This pattern of investments being "re-spent" throughout the local economy is commonly referred to as the multiplier effect.

To quantify the secondary economic impacts of the proposed project, this analysis uses an input/output model of the local economy. The specific model used herein is called the RIMS II, which stands for Regional Input-Output Modeling System. The Bureau of Economic Analysis, an agency of the United States Commerce Department, generates this model. The RIMS II model can be applied to an economic region composed of one or multiple counties. The economic region for which the RIMS II multipliers are based in this analysis includes Dutchess County, Columbia County, Putnam County and Ulster County in New York State, as well as Litchfield County in Connecticut and Berkshire County in Massachusetts.

The RIMS II model provides a means to account for inter-industry relationships, which largely influence how regional economies will likely respond to a change related to a specific project or program. In this analysis, the multipliers from the RIMS II model are used to estimate the regional economic impacts of the proposed Depot Hill Farm development throughout the identified regional market area. The model identifies the quantitative impact of 471 specific industries and 60 industry aggregations, as well as for all industries combined.

The RIMS II model comprises two types of multipliers: final demand multipliers and direct effect multipliers. Final demand multipliers are commonly used when total new expenditures are known, and help estimate project impacts on output, earnings, and employment. The output multipliers quantify how the total output in the identified regional market area changes in response to each dollar spent, while the earnings multipliers demonstrate to what degree regional earnings change with each dollar spent. Output represents the total sales in dollars for a particular industry. The final demand employment multipliers reveal the number of secondary jobs created in the region for every million dollars expended on a given project or program.

Aside from final demand multipliers, RIMS II direct effect multipliers are used to quantify the economic impact of new employment and earnings associated with a specific project. For employment, the direct effect multipliers can be used when data are available for initial changes in employment by industry. These multipliers estimate how many secondary jobs can be supported by a certain number of newly created jobs at a specific location. For earnings, the direct effect multipliers can be employed when data on initial changes in earnings are available by industry. Earnings multipliers quantify the amount of secondary payrolls that can be supported by known payroll spending in a given project.

Both the final demand multipliers and direct effect multipliers are used in this economic impact analysis. The analysis and associated findings are discussed in several sections. First, the construction phase economic impact will discuss the anticipated benefit the region is likely to witness due to the capital investment of developing Depot Hill Farm. Second, the operational period effects will be analyzed from several aspects. Newly created on-site jobs and their anticipated payrolls will be assessed in terms of their ability to support additional jobs elsewhere in the economy. Then, likely household income and occupancy characteristics will be reviewed and applied to pertinent multipliers to estimate the impact of household spending.

The analysis of household spending will be conducted under three scenarios, due to the anticipated difference in spending patterns between full-time (100% FT), occasional (50% FT) and vacation/seasonal (0% FT) residents. All other economic impact analyses are expected to be constant between the three scenarios. A brief review of the final demand multipliers to be

used for assessing the economic impacts regarding output, earnings, and employment is presented as follows.

RIMS II Multipliers

The total multipliers for output, earnings, and employment are the same regardless of the time in occupancy of potential residents. Therefore, the estimated secondary economic impacts of the construction phase will be analyzed only once, and the estimated benefits will pertain to all three time-in-occupancy scenarios.

The final demand multipliers indicate that each dollar spent on construction increases the total output of the Dutchess County regional economy by \$1.8212, including the initial dollar spent. Earnings multipliers suggest that the spending of this same dollar increases the total earnings in the region by almost 53 cents. Employment multipliers indicate that every 1 million dollars spent on construction creates almost 13.2 jobs.

Applying the multipliers to the estimated on-site construction costs of \$44,757,700, it is projected that the proposed Depot Hill Farm development would increase the total regional output of goods and services by approximately \$81,512,723. Factoring out the initial expenditure of an estimated \$44,757,700 results in a net increase to the regional economy of approximately \$36,755,023 at full build-out.

The \$44,757,700 investment in on-site construction of the Depot Hill Farm development would also lead to increased earnings and jobs in the regional economy. It is estimated that this construction would also lead to increased earnings in Dutchess County of approximately \$23.6 million. In terms of employment, an estimated 590 secondary jobs would be created in the regional economy as a result of the investment associated with the project's construction.

Operational Period Direct Economic Benefits

Economic Impact of On-Site Employment

The projected on-site employment will increase earnings and employment in the regional economy. Currently, there are eight full-time and two part-time employees at Keane Stud, which, according to farm manager Phillippe LaSeur, can vary by one or two individuals, but is fairly typical⁵. According to information from the developer, an additional 17 new full-time jobs will be added as part of the proposed development. The projected mix of on-site employees and their anticipated wages are listed in Table 3-100. These employee and payroll estimates are also based on project sponsor data provided by Equisport Imports, Inc. Industry salary information gathered from the New York State Department of Labor for the various full-time positions has been included as footnotes for reference and comparison purposes.

⁵ Telephone conversation, Phillippe LaSeur, January 8, 2009.

Job Description	No. of Positions	Salary	Total Annual Wages
General Site Manager	1	\$40,000¹	\$40,000
Equestrian Facility Manager	1	\$34,000¹	\$34,000
Farmworker, Grounds and Maintenance, Additional Site Employees (Full-Time Equivalent)	15²	\$26,000³	\$390,000
TOTAL	17		\$464,000

Note: Estimated salaries provided by Equisport Imports, Inc.

¹ Mean salary for “Front-Line Supervisor/Manager of Farming, Fishing, and Forestry Workers” was \$38,730 according to salary data from the New York State Department of Labor, Occupational Employment Statistics (updated through 2Q 2007).

² Includes grounds and maintenance, retail, clerical and miscellaneous staff working in the equestrian center, stud farm and residential components.

³ Mean salary for “Farmworkers, Farm and Ranch Animals” was \$21,800 according to salary data from the New York State Department of Labor, Occupational Employment Statistics (updated through 2Q 2007).

The secondary economic impact of these wages earned on-site can be estimated using the RIMS II model. The RIMS II direct effect multipliers for earnings in the Dutchess County region can be obtained for the “Crop and Animal Production” industry category. Applying the direct effect multiplier for earnings of 1.9210 to the projected annual payroll of approximately \$464,000 suggests that total Dutchess County regional earnings would increase by roughly \$891,344 as a result of new employment at Depot Hill Farm. This is equivalent to a net increase of \$427,344 in earnings elsewhere in the Dutchess County region due to the initial payroll of spending to operate the proposed development.

To estimate the number of secondary jobs that are supportable from these 17 new on-site jobs, multipliers are obtained from the RIMS II model. The direct effect employment multiplier for the “Crop and Animal Production” industry in the Dutchess County region is 1.4978. Therefore, the 17 newly created full-time on-site jobs will induce approximately 25 jobs throughout the region’s economy, or a net increase of 8 off-site jobs.

Economic Impact of Household Spending

As the proposed Depot Hill Farm development is built, housing units will become occupied and ultimately host approximately 137 new households. Based on the target market for this project, these housing units are likely to be purchased as second homes by high-income households with significant purchasing power. The developer anticipates the average annual income of

these purchasers to be roughly \$450,000. It is assumed that a portion of this total income will be available for discretionary purchases that will inject money into the regional economy and take part in the multiplier effect.

Deducting expenditures on basic necessities such as shelter, taxes, transportation, food, and clothing from total income can yield an estimated percentage of household income that would be available for discretionary purchases. The U.S. Department of Labor Bureau of Labor Statistics annually publishes Consumer Expenditure Surveys, which present information on how various categories of items capture certain shares of household spending. This survey was reviewed for high-income consumers (reporting income of \$150,000 and over) to estimate the percentage of all spending that goes towards discretionary, or unnecessary, items. From this data it is conservatively estimated that 30% of total household income for this category is available for discretionary purchases. Table 3-101 summarizes the pertinent data and illustrates the derivation of discretionary spending as a percentage of household income.

Table 3-101 Derivation of Discretionary Spending as Percentage of Household Income	
Category	Percentage of All Expenditures
All Expenditures	100%
Food	9.3%
Housing	32.3%
Transportation	16.4%
Apparel and Services	3.9%
Health Care	3.9%
Necessities Subtotal	66%
Percentage of Spending on Discretionary Items	34%
Ratio of Estimated Annual Expenditures to Income	0.75
Discretionary Spending as Percentage of Household Income	26%
<small>Source: Consumer Expenditure Survey, 2006 for households reporting income of \$150,000 and over. U.S. Department of Labor, Bureau of Labor Statistics. Compiled by HMA, Inc. August 2008.</small>	

Before projecting household spending, an adjustment factor must be applied to account for estimated occupancy rates for residential households. For part-time residents, only a portion of their discretionary spending power will be spent locally to benefit the regional economy. While not all discretionary spending will necessarily be spent locally, it can be assumed that the overwhelming majority of discretionary dollars spent by part-time Depot Hill Farm households while residing at the development will be expended in the immediate region. It is estimated that the average part-time household will occupy their housing unit approximately 28.6% of the year, or 2/7th of the year. This estimate supports using an adjustment factor of 0.286 to translate part-time occupancy into a full-time equivalent. Thus, the 100% full-time scenario has an adjustment factor of 1.000 (no part-time households), the 50% full-time scenario has 50% of the households

adjusted at 1.000 and 50% adjusted at 0.286, and the 0% full-time scenario has all of its households adjusted at 0.286 (all part-time households).

The calculations detailed in Table 3-102 estimate total household discretionary spending, while in residence at Depot Hill Farm, for the 100% full-time, 50% full-time and 0% full-time occupancy scenarios.

Table 3-102 Estimated Annual Local Discretionary Spending Depot Hill Farm			
	100% FT	50% FT	0% FT
Estimated Average Household Income	\$448,687	\$448,687	\$448,687
Percentage of HH Income for Discretionary Spending	26%	26%	26%
Estimated Discretionary Spending per Household	\$116,659	\$116,659	\$116,659
Adjustment Factor for Occasional Residency	100.0%	100.0%/28.6%	28.6%
Est. Discretionary Spending while residing at Depot Hill Farm, per HH	\$116,659	\$75,011	\$33,364
# of Households	137	68.5/68.5	137
Estimated Total Depot Hill Farm Discretionary Spending	\$15,982,231	\$10,276,574	\$4,570,918
Source: Compiled by HMA; August 2008.			

Similar to construction expenditures, household spending of residents living in the development will have a multiplier effect on the economy. RIMS II final demand multipliers for household spending can be applied to the estimated discretionary spending identified above to estimate this economic impact. The results indicate that discretionary spending of households residing within the project would have a net increase on total Dutchess County regional output (as defined earlier in this section) of approximately \$15,472,398 under the 100% full-time scenario, \$9,948,752 under the 50% full-time scenario, and \$4,425,106 under the 0% full-time scenario. This spending would increase total Dutchess County regional earnings by approximately \$4,125,014 under the 100% full-time scenario, \$2,652,384 under the 50% full-time scenario, and \$1,179,754 under the 0% full-time scenario. In addition, this spending would also create 133 new jobs in the Dutchess County region under the 100% full-time scenario, 85 new jobs under the 50% full-time scenario, and 38 new jobs under the 0% full-time scenario. Tables 3-103, 3-104, 3-105 illustrate the derivation of these estimates.

Table 3-103 Estimated Secondary Economic Impact of Annual Household Spending			
Depot Hill Farm - 100% Full-Time Occupancy			
Impact On	Household Multipliers	Local Household Spending	Economic Impact
Output	0.9681	\$15,982,231	\$15,472,398
Earnings	0.2581	\$15,982,231	\$4,125,014
Employment	8.3	\$15,982,231	133

Source: Compiled by HMA, Inc. August 2008. Multipliers referenced from RIMS II Model, Bureau of Economic Analysis, U.S. Department of Commerce.

Table 3-104 Estimated Secondary Economic Impact of Annual Household Spending			
Depot Hill Farm - 50% Full-Time Occupancy			
Impact On	Household Multipliers	Local Household Spending	Economic Impact
Output	0.9681	\$10,276,574	\$9,948,752
Earnings	0.2581	\$10,276,574	\$2,652,384
Employment	8.3	\$10,276,574	85

Source: Compiled by HMA, Inc. August 2008. Multipliers referenced from RIMS II Model, Bureau of Economic Analysis, U.S. Department of Commerce.

Table 3-105 Estimated Secondary Economic Impact of Annual Household Spending			
Depot Hill Farm - 0% Full-Time Occupancy			
Impact On	Household Multipliers	Local Household Spending	Economic Impact
Output	0.9681	\$4,570,918	\$4,425,106
Earnings	0.2581	\$4,570,918	\$1,179,754
Employment	8.3	\$4,570,918	38

Source: Compiled by HMA, Inc. August 2008. Multipliers referenced from RIMS II Model, Bureau of Economic Analysis, U.S. Department of Commerce.

Induced Commercial Development Resulting from Depot Hill Farm Development

Increased household spending as a result of the Depot Hill Farm development could induce new commercial development in the Dutchess County market area. This spending will be in the form of retail sales, food service sales, expenditures for personal services; and a portion of household expenditures for business and professional services as well.

Using a benchmark value of \$350 per square foot for an average commercial sales rate, the total increased household spending resulting from the Depot Hill Farm development can be converted into an estimate of potential induced commercial square footage for each occupancy scenario. The results of these calculations are summarized in Table 3-106.

Scenario	Total Increased Household Spending	Potential Induced Commercial Sq. Ft.*
100% FT	\$15,982,231	45,664
50% FT	\$9,948,752	28,425
0% FT	\$4,425,106	12,643

* Potential demand for new space assumes average sales rate of \$350/sf (ULI, Dollars & Cents of Shopping Centers 2002)
Source: Compiled by HMA, Inc. August 2008.

As this table illustrates, Depot Hill Farm can be expected to induce economic activity which would support or be generated by between 12,643 square feet and 45,664 square feet of additional commercial space in and around the Dutchess County region. Identifying where this induced commercial activity or development would occur is not feasible in a large and complex regional market. Induced economic activity for additional retail sales could actually be accommodated by existing businesses expanding their offerings of goods or services. Latent capacity for additional sales may also exist in some businesses, without the need for new physical development of retail and service-sector space. Some portion of the new household spending from Depot Hill Farm could be captured by existing business through the hiring of additional employees or the extension of hours of operation. Finally, some business owners may decide to construct physical additions to their existing businesses to capture additional sales. While additions to existing businesses would result in more physical space, it would not result in “new” development in terms of vacant land parcels being developed. These myriad possibilities all play a role in determining what the actual demand for new physical space will be, and if utilized, would reduce the square footage figures calculated previously to a certain extent.

Any new commercial space induced by household spending from Depot Hill Farm will likely locate near established commercial areas such as village centers, existing shopping centers and along major transportation routes, due to the convenience for consumers provided by main transportation routes and the economies of scale associated with being close to other commercial developments. However, the scale of the estimated induced commercial square footage (12,643 to 45,664 square feet) is quite small compared to the existing inventory of related businesses in the market area as a whole. Therefore, it is estimated that the impacts of a result of development of this commercial space would be minimal relative to the existing volume of businesses as described below.

Potential Shopping Patterns of Depot Hill Farm Households

Local shopping patterns of new residents of either second homes or primary homes at Depot Hill Farm are not expected to differ significantly from those of existing residents of central and northern Dutchess County.

Convenience purchases are likely to occur in the village centers of Amenia and Wassaic. According to data from the 2006 Zip Code Business Patterns provided by the U.S. Census Bureau, Amenia (12501) has 72 establishments with 749 employees and an aggregate annual payroll of \$20.9 million. The 72 establishments are broken down by industry sector as shown in Table 3-107.

Industry Sector	# of Establishments
Retail	14
Other Services (except public admin.)	10
Construction	7
Healthcare & Social Assistance	7
Accommodation & Food Services	5
Educational Services	5
Professional, Scientific & Technical Services	5
Admin., Support, Waste Mgmt., Remediation Services	5
Real Estate/Rental & Leasing	4
Mining	2
Manufacturing	2
Finance & Insurance	2
Arts, Entertainment & Recreation	2
Information	1
Transportation & Warehousing	1

Source: U.S. Census Bureau; 2006 Zip Code Business Patterns.

The village of Wassaic has 25 establishments with 151 employees and an aggregate annual payroll of \$5.1 million. The 25 establishments are broken down by industry sector as shown in Table 3-108.

**Table 3-108
Businesses in Wassaic (12592) by Industry Sector**

Industry Sector	# of Establishments
Healthcare & Social Assistance	6
Accommodation & Food Services	4
Wholesale Trade	2
Admin., Support, Waste Mgmt., Remediation Services	2
Other Services (except public admin.)	2
Educational Services	1
Professional, Scientific & Technical Services	1
Construction	1
Real Estate/Rental & Leasing	1
Mining	1
Manufacturing	1
Finance & Insurance	1
Forestry, Fishing, Hunting & Agriculture	1
Information	1

Source: U.S. Census Bureau; 2006 Zip Code Business Patterns.

New residents may also travel to locations in Litchfield County in Connecticut, such as the towns of Kent and Sharon, for purchases of items such as antiques, art work and specialty home furnishings.

More significant shopping trips may take new residents of Depot Hill Farm to the retail establishments south along New York State Route 22 and other villages such as Millbrook, Millerton, Red Hook and Rhinebeck. Major retail purchases will likely occur along Route 9 to the west, in the City of Poughkeepsie proper, or at regional shopping malls such as the Danbury Fair Mall in Danbury, CT.

General Regional Economic Impact of Household Spending & Effect on Community Character

One approach to examine the potential impact of new household spending resulting from the proposed Depot Hill Farm development is to inventory the retail and service establishments within a 10- to 15-mile radius of the development site. A 15-mile radius was established using on-line software through Claritas Inc., a leading national provider of demographic and market data. Within this radius, data was gathered regarding the number of retail and personal establishments in the area, number of employees in these establishments, and total annual sales for all identified retail and personal services establishments. The 15-mile radius covers a considerable area, stretching east to west from Cornwall and Goshen, CT, to just east of Route 9G, and north to south from Ancramdale in Columbia County and the Massachusetts state line to the northern outskirts of the Town of Pawling.

According to data obtained from Claritas, the area within the 15-mile radius around the development site contains 654 retail and personal services establishments with annual sales of approximately \$463 million. These 654 establishments also employ 4,285 people. As discussed earlier, the potential new household spending in the region as a result of the Depot Hill Farm development would range from approximately \$4.4 million to \$16.0 million annually, depending

upon the proportion of the homes that are primary homes versus second homes. These household spending figures represent only between 1.0% and 3.5% of the total annual sales of retail and personal service establishments identified in the 15-mile radius area.

The amount of new household spending estimated to result from the Depot Hill Farm development, when viewed at the regional scale, is on a scale that will likely have insignificant impacts in terms of commercial development patterns and trends in the region. Given that the estimated household spending figures to be generated by Depot Hill are extremely small relative to the volume of existing business being done in the wider regional economy, an exhaustive business-by-business inventory and analysis of retail and personal service establishments could be performed, but it would not produce any additional economic impact analyses that differ significantly from those drawn from the preceding analysis.

In terms of specific impacts to the Town of Amenia and its community character, it is possible that increased household spending as a result of the Depot Hill Farm development will result in additional economic activity in the Town. Convenience retail spending and limited personal services expenditures are the most likely spending to be captured within the Town. This increased spending could potentially induce some small-scale business expansion in the Town and the Wassaic hamlet. However, it should be reiterated that the estimated 12,000 to 45,000 square feet of induced commercial development would be expected to be spread out among shopping and product categories of businesses around the wider region. While Amenia could see a higher proportion of this square footage than other locations due to its proximity to the proposed development, the raw amount of square footage that might be developed in Amenia would still be small.

As a result, it is unlikely that any small-scale commercial development induced by household spending from the development of Depot Hill Farm would have a significant impact on the existing community or economic character of the Town of Amenia.

3.19.3 Mitigation

Depot Hill Farm is expected to have very low demand on services with the COA owning and operating all improvements on the site. In addition, one-time building and recreation fees and mortgage taxes will offset costs associated with the new development, and secondary economic activity will introduce new capital into the region's economy, during both construction and occupancy.

Similarly, the assumption that 100% of the residents demand the same level of service as is currently provided by the Town and County, with the exception of County funding for economic assistance, is very conservative, given the development's demographic profile. Consequently, the projected cost increases for Town and County services are substantially higher than is expected.