

Fiscal Analysis

Underhill Farms

Town of Yorktown, Westchester County, New York

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1.0 Fiscal Analysis

1.1 Introduction

The development project is known as “Underhill Farms”. The 13-8-acre site is located on Underhill Avenue, in the Town of Yorktown, Westchester County, New York. The development site is located between Glenrock Street and NYS Route 118 and is the site of the previous Soundview Prep School.

The Project Sponsor proposes to construct a mixed-use development consisting of 84 Condominium units, including 50 townhouses and a 34-unit condominium building; 64 apartments and 17,580 square feet of retail and office space including 11,000 square foot of new retail space in addition to the reuse of the Underhill Farmhouse building. The development will preserve the existing historic Farmhouse structure incorporating it into the development.

1.2 Project Description

As illustrated in Figure 1, the Underhill Farms site plan includes five 6-unit townhouse buildings and five 4-unit townhouse buildings plus a 34-unit condominium building and a 64-unit apartment building for a total of 148 units in 12 buildings. Of these totals, the development provides half of the units as senior housing, restricted to those age 55 and over. As already stated, the development includes preservation of the existing historic building, incorporating it into the project design.

1.3 Population

Demographic multipliers published by the Rutgers University Center for Urban Policy Research (CUPR) were used to project the future population of the proposed Underhill Farms community. Population projections are based upon the geographic region, type of unit, number of bedrooms, and the anticipated rental value. Although there are other published demographic multipliers, the CUPR multipliers are more specific because they are calculated based upon the specifics of geographic location, bedroom count and unit type. The researchers, Burchell and Listoken are considered the experts in demographic projections and the CUPR multipliers are considered the standard in this field of study. As shown in Table 1, based upon the nature of this development, the multipliers used to project the population are as follows; four-bedroom units house 3.89 persons, three-bedroom units house 2.83 persons per unit, two-bedroom units are 2.31 persons per unit and a one-bedroom unit is 1.67 persons per unit. All Senior units were projected to house 1.88 persons. By comparison, 2020 U.S. Census American Community Survey (ACS) data indicate that the average family size for all housing types in the Town of Yorktown is 3.15 persons.

As shown in Table 1, Based upon the CUPR residential multipliers, approximately 321 persons, including 23 school age children are projected to reside at Underhill Farms.

Table 1 Population Projections					
Unit Size	Number of Units	Population Multiplier	Population	School Age Children Multiplier	School Age Population
Uphill Townhouse Units					
3-BR	25	2.83	71	0.39	10
4-BR	5	3.89	19.	1.19	6
Apartments					
1-BR	16	1.67	27	0.08	1
2-BR	28	2.31	65	0.23	6
Senior Apartments					
1-BR	10	1.88	19	0.00	0
2-BR	10	1.88	19	0.00	0
Downhill Senior Townhouse Units					
3-BR	22	1.88	41	0.00	0
Senior Condominiums					
1-BR	2	1.88	4	0.00	0
2-BR	30	1.88	56	0.00	0
TOTAL	148		321		23
Source: Rutgers University Center for Urban Policy Research, June 2006. Table prepared by TMA, 2022.					

1.4 Current and Projected Assessed Value

The Underhill Farms development site is contained on the Town of Yorktown tax parcel Section 48.06 Block 1 lot 30.

The current assessed value of the total project site is \$32,850. As the Soundview Preparatory School, the site had a religious use exemption and was not paying any taxes. The Taxes were paid by Underhill Farms for the 2021 tax year. According to a review of the current 2022 tax bills for the subject parcel, the total annual property taxes generated by the project site and paid to the Town of Yorktown were \$7,169. The municipal taxes paid to Westchester County were \$4,501. Thus, the total municipal taxes paid were \$11,670 while the annual property taxes paid to the Yorktown Central School District were \$32,887.

Based upon the income value of the residential units plus the income value of the proposed commercial development the market value of Underhill Farms is projected to be approximately \$42,331,243. Using the current 2022 equalization rate of 2.12 percent, the total Assessed Value of the project used for this analysis is \$897,422.

1.5 Current and Projected Revenues

Table 2 compares the revenues generated currently by the property to the revenues to be generated after the Underhill Farms development is complete. Revenues are based on 2022 municipal tax rates and the 2021-2022 tax rate for the Yorktown Central School District.

According to the Town of Yorktown annual budget, the Town’s tax rate includes governmental services, Highway and street maintenance, Justice Court, public safety, refuse & recycling collection, and parks & recreation.

As presented in Table 2, at today ‘s tax rates, annual revenues to the Town of Yorktown from the Underhill Farms would be approximately \$195,844. The project-generated annual revenues to Westchester County would be approximately \$122,965 annually.

Table 2			
Current & Projected Taxes Generated by Underhill Farms Development			
Taxing Authority	Current Taxes (\$)	Underhill Farms Projected Taxes Total (\$)	Net Increase Between Current & Projected Taxes (\$)
Total Westchester County	\$4,501	\$122,965	\$118,464
Total Town of Yorktown	\$7,169	\$195,844	\$188,676
Total Municipal	\$11,670	\$318,809	\$307,169
Yorktown Central School District	\$32,888	\$898,454	\$865,567
TOTAL	\$40,057	\$1,217,264	\$1,172,706
Notes:			
(1) Tax Rate per \$1,000 of Assessed Valuation.			
Municipal taxes are based upon Town of Yorktown 2022 Tax Rates.			
Yorktown Central School Taxes are for the 2021-2022 Budget.			

As stated earlier, annual revenues to the Yorktown Central School District would be approximately \$898,454. The net *increase* between the current tax revenues generated by the site and paid to the School District and the total future project-generated revenues to the school district are projected to be approximately \$865,567 annually.

Table 2 also indicates the combined net increase in revenues to each jurisdiction, which in total is projected to be more than \$1.2 million annually.

1.6 Municipal Costs Associated with the Proposed Project

An approximate estimate of costs to the Town of Yorktown associated with the Underhill Farms development may be determined by obtaining a reasonable composite of current costs on a per capita basis and multiplying this amount by the anticipated population of the proposed project.

Through a review of the Town's operating budget, the amount of expenditures can be derived and, by dividing the population into the amount of expenditures, an estimate of per capita costs can be determined. To determine the costs derived from residential uses a determination of the percentage of the Town's assessment roll attributed to residential development is calculated. To calculate the portion of the per capita cost which is paid for by property tax revenues (as opposed to other forms of income to the Town), the per capita cost is multiplied by the proportion that property tax revenue comprises of the overall income stream.

This generalized methodology overstates the overall costs. The incremental costs which would be applicable specifically to this project are anticipated to be substantially lower. Certain fixed costs would not actually be affected by an increase in population. For example, the Supervisor's salary or the cost of running Town Hall are expenses that are paid by the Town's Budget, but would not be expected to increase based on an increase in population. It is also noted that commercial and other land uses in the Town place demand on the various governmental services which contributes to the costs being overstated. The majority of services provided by the Town would not be directly affected by an increase in population. A review of the Town's operating budget indicates that no more than 50% of expenses are related directly to population increase.

In this instance, the adopted 2022 municipal budget for the Town of Yorktown General Fund, Highway expenses and A Line items, amounts to \$40,161,490. The total amount to be raised by taxes is \$21,863,461. The tax levy represents approximately 54 percent of the municipal budget.

According to the U.S. Census American Community Survey (ACS) data, the 2019 estimated population for the Town is 36,538 persons. Dividing the amount to be raised by taxes by the population, times the percentage of residential expenses, factored by that portion of the budget directly affected by population increase, results in an estimated impact to the Town budget of up to \$200 per capita.

As described earlier, the proposed project would add approximately 321 persons to the population of the Town. Based on a per capita expenditure of \$200, the additional costs to the Town of Yorktown are projected to be up to approximately \$64,200. As presented in Table 2, the revenues to the Town from the proposed Underhill Farms Development would amount to an estimated \$195,844, thus, the project would result in increased Town revenue of \$131,644 annually ***after*** covering costs.

1.7 Schools

Existing Conditions

The project site is served by the Yorktown Central School District. The District includes five schools, two grade school, (grades K,1,2,3,), one intermediate school (grades 4 & 5) one middle school (grades 6, 7 and 8), and one high school (grades 9 thru 12). The Yorktown Central School District geographically includes the southern two thirds of the Town of Yorktown and portions of the Towns of Cortlandt and New Castle.

According to information provided by the School District¹, enrollments have been steadily decreasing for more than the past 5 years. As of October 2020, 3,381 students were enrolled in the District. Table 3 below summarizes the 2020/2021 grade distributions and enrollments of the various schools within the District:

Table 3 Yorktown Central School District (2020-2021 School Year)		
School	Grades Served	2021 Enrollment
Brookside Elementary School	K-3	480
Mohansic Elementary School	K-3	490
Crompond Intermediate School	4-5	528
Mildred E. Strange Middle School	6-8	801
Yorktown High School	9-12	1,082
TOTAL		3,381
NYSED Yorktown Central School District 2022.		

School District Costs Associated with the Proposed Project

As shown in Table 1, based upon demographic multipliers published by Rutgers University Center for Urban Policy Research, approximately 23 students are projected to reside in the Underhill Farms residential development. The addition of 23 students to a population of more than 3,381 students represents an increase of approximately 0.7 percent. Over the past five years the overall district enrollment has decreased by approximately 10 percent. Thus, the Yorktown CSD is presumed to have availability in its existing infrastructure to accommodate this increase in student population.

The district budget for 2021-2022 school year for the Yorktown Central School District totals \$101,906,000. The portion of the budget to be raised through taxation is \$80,866,263 - approximately 80 percent of the budget is met through the property tax levy.

The anticipated increase in student population **will not** have a significant impact on administrative or capital needs of the district. As discussed above, a review of enrollment statistics demonstrates the district’s existing facilities are expected to have capacity to handle the anticipated increase in

¹NYS Department of Education BEDS Enrollment Data for Yorktown Central School District 20/21.

students. Any costs to the School District would be related specifically to programming costs which include instruction and transportation and which are referred to as marginal costs. District wide, these costs total \$80,409,377². The portion of the programming costs to be raised by the tax levy are estimated to total \$63,842,663.

An increase in residential development will result in an increase in assessed valuation of the School District, which translates into additional school tax revenues. Since the infrastructure and staff resources are already in place, the costs for new students associated with new residential development would be minimal. It should also be noted that the ratio of students associated with multifamily housing is low compared to traditional single-family housing.

The per-student marginal costs to be raised by the tax levy are calculated to be up to \$18,872. This full cost is likely overstated given the low percentage of new students compared to the existing student population in combination with the existing district infrastructure.

At today's tax rates, the proposed Underhill Farms would generate a total of \$898,545 in annual property revenues to the school district. Thus, the overall impact on the district's budget is expected to be positive even after covering the cost of educating the students who reside at Underhill Farms. The proposed residential development will generate \$464,398 annually *after* covering the cost to educate the increase in students. These are dollars that directly influence the tax rate charged to the residents of the Yorktown School District.

Construction is projected to take a minimum of 24 months which would be spread over at least two school years. The increased student population is also expected to be distributed throughout the grade levels. The multi-year phasing and distribution of students will allow for an additional 23 students to be integrated to the local schools with minimal impact.

² Yorktown Central School District Adopted Budget 2021/2022.

1.8 Fiscal Summary

Table 4 presents a summary of the conservatively anticipated revenues compared to an estimate of costs of the proposed Underhill Farms development project. The combined revenues, after considering the generalized costs to the Town and the School District is projected to be an annual net benefit of \$596,042 to all taxing jurisdictions. These funds support the population who live in the community.

Table 4			
Revenue & Cost Summary: Underhill Farms			
Jurisdiction	Projected Taxes (\$)	Projected Costs (\$)	Net Tax Revenue
<i>Town of Yorktown</i>	\$195,844	(\$64,200)	\$131,644
<i>Yorktown Central Schools</i>	\$898,454	(\$434,056)	\$464,398
Total	\$1,094,298	(\$498,256)	\$596,042

Source: Tim Miller Associates, Inc., 2022

1.9 Fiscal Benefits

The project will induce construction employment in the short term. In the long-term, the new retail establishments are projected to create approximately 50 new jobs. In addition, the new resident population would introduce consumer demand for retail and service establishments located within the Town of Yorktown, as well as the larger commercial area within the region.

Short Term Employment Opportunities

The construction value of the proposed project is estimated to be approximately \$42 million. Construction of the project would require a commitment of person hours of labor, which can be viewed as beneficial to the community, the local economy, and the construction industry with respect to the generation of jobs. Based on labor hour estimates published by the Urban Land Institute, and accounting for secondary employment resulting from the construction, this project would generate 250 full time equivalent jobs in the various construction trades associated with this project.

It is anticipated that a number of construction workers would come from Westchester County and nearby counties in the region. These workers are expected to have a positive impact on existing local businesses that provide such services as food convenience shopping, gasoline, etc.

Local Economy Spending

Future residents would utilize retail, personal service, and other commercial uses located in the project vicinity. Businesses within the project vicinity, especially those located within the Town, would benefit from new resident expenditures. Approximately 30 percent of household income is typically spent on retail goods and services.

An annual household income ranging from \$75,000 to \$95,000 would be required to afford renting the proposed apartments. An annual household income ranging from \$150,000 to \$199,000, would be required to afford the proposed Townhouses/Condominium residential housing. Using a conservative average household income of \$100,000, it is estimated that 148 households would spend approximately \$4.5 million annually. A substantial portion of these expenditures would be made at supermarkets, local convenience stores, apparel stores, restaurants and service businesses such as gas stations and hair salons in the area.