

3.2. Demographics and Fiscal

3.2.1 Demographics

Existing Population Characteristics

According to the US Census, with a population of 20,175 people in 2010, the Village of Kiryas Joel had an overall population density of 19,000 persons per square mile. The Village is contained within the Town of Monroe and thus influences the average density reported for the Town, which according to the 2010 Census had 1,986 persons per square mile. This compares with an average density for Orange County as a whole in 2010 of 459 persons per square mile.

The southeastern portion of Orange County in which the Town and Village are situated is located in the New York metropolitan region's outer ring, an area of moderate growth and development. A review of the Census data indicates that overall, the population of Orange County grew 9.2 percent between 2000 and 2010 or just slightly less than one percent per year. By comparison, the population of the Village grew some 54 percent between 2000 and 2010 or more than 5 percent per year and the Town grew by 27 percent during this same time period.

Population in the Village of Kiryas Joel has grown rapidly since its incorporation in 1977 and is expected to continue to grow at a rapid pace. While in-migration in the early years was likely high, a demographic study of the Village prepared by a planning consultant in 2009¹ described the Village's current rate of in-migration to be substantially lower than the rate of in-migration in Orange County as a whole and of other nearby counties. A review of 2012 American Community Survey Census data indicates that in-migration and out-migration patterns for the Village are quite low and 97.3 percent of the population lived in the same house five years ago. Of the remaining 2.7 percent, 2.3 percent still live in the same county. Only 0.4 percent of the population moved into or out of the Village from outside of Orange County.

The growth of Kiryas Joel is largely influenced by internal circumstances. This is due to the Hasidic religious and cultural practices that encourage young women to remain in the Village, to marry at a relatively young age (18-20) and have large families of their own.

The 2009 AKRF study projected the Village's population to increase at approximately 4.5 percent annually. Another analysis by the US Census, estimating the Village population in 2012 based on the 2010 count, yielded an approximate 2.9 percent annual growth

¹ AKRF, Inc., "Growth Study for Village of Kiryas Joel Amended FEIS for the Proposed Connection to the New York City Catskill Aqueduct", January 2009.

rate. A projection prepared for this study estimates the population for the Village to 2025, to average approximately 5.6 percent as further explained below.

Table 3.2-1 below lists the recorded and projected populations of the Village, Town (including the Village) and County from several sources to show the population trend.

Table 3.2-1 Population in Kiryas Joel and Orange County 1980 to 2014						
Year	Village of Kiryas Joel	Annual Change	Town of Monroe	Annual Change	Orange County	Annual Change
1980	2,088	--	14,948	--	259,603	--
1990	7,437	25.6%	23,035	5.4%	307,647	1.9%
2000	13,138	7.7%	31,407	3.6%	341,367	1.1%
2010	20,175	5.4%	39,912	2.7%	372,813	0.9%
2012	21,357	2.9%	42,194	2.9%	374,512	0.2%
2014	22,643	5.6%	--	--	--	--

Sources: US Census; AKRF, 2009; NYS BEDS 2014; TMA, 2015.

Census Data

The Village of Kiryas Joel is unique in many respects. Families are large with an average family size of 5.9 persons per household, as reported by the US Census, 2012 American Community Survey. The Survey also reports that 91.5 percent of households have children under the age of 18. The abundance of children results in a very low median age. Roughly 54 percent of the Village population is less than 15 years old. The median age for the Village is 13.2 years old.

Transportation patterns are also unique. According to the US Census, more than 55 percent of the housing units have no vehicle and 41.3 percent have only one vehicle. Cultural norms in this community prohibit women from driving, thus there is a dependence on public and private transportation systems (largely buses and taxi services) and significant pedestrian activity.

The US Census also states the median household income is \$24,579 (in 2012 inflation-adjusted dollars). Housing data indicates that only 32.6 percent of occupied housing units are owner occupied and 67.4 percent are rented. More than 46 percent of the housing units have 4 or more bedrooms. More than 72 percent of the housing has been occupied since 2000.

The median housing price of owner-occupied units was \$365,600 in 2010. Approximately 67 percent of the owners in owner occupied units are spending more than

30 percent of their gross income on housing costs.² Similarly, approximately 84 percent of renters are spending more than 30 percent of their gross income on housing costs³.

As reported by the Census Bureau's 2009-2013 American Community Survey 5-year estimates, the Village of Kiryas Joel has a poverty rate of 59.8 percent; and approximately 57.3 percent of households receive food stamps/SNAP. Other recent reports have documented that a high percentage of Village residents are reliant on government aid programs and services provided through Orange County such as Medicaid.

Average Family Size

Over the last several decades the average family size in the Village of Kiryas Joel had moderately decreased⁴; from 6.5 persons per household in 1990 to 5.8 in 2000; to 5.7 persons per household in 2010. However, as stated previously, data from the 2012 American Community Survey estimates the 2012 Average Family size to be 5.9 persons. By comparison, the average family size for Orange County has remained relatively consistent at 3.35 in 1990 and in 2000, and 3.37 in 2010.

Population Projection -- Village of Kiryas Joel

Growth of the existing population is inevitable, with or without the annexation, given the patterns noted above. The number of new families that will be established in the community can be reasonably projected based on the existing population of female students in the local parochial schools. At approximately nineteen years of age, each female is likely to start a new family for which a new housing unit will be needed.

A number of population projections for the Village have been collected from various sources including a summary of demographic data compiled by Orange County Department of Planning in its Orange County by the Numbers⁵, and projections related to conservative water use calculations conducted to support the Village's connection to the New York City Aqueduct system.⁶

Table 3.2-2 shows a number of studies that have been conducted and illustrates the range of the various population projections for the Village of Kiryas Joel -- ranging from 40,161 to approximately 53,600 persons by the year 2025. Estimated annual population

² "Housing expenditures that exceed 30 percent of household income have historically been viewed as an indicator of a housing affordability problem." Schwartz, Mary, and Ellen Wilson. US Census Bureau. 2007.

³ Refer to Census Data provided for reference in Appendix H.

⁴ US Census 2010, Village of Kiryas Joel; Orange County Department of Planning, 2014.

⁵ Orange County Department of Planning. "Orange County by the Numbers, Orange County Demographics in the 21st Century." c.2011 (undated).

⁶ The population projections are higher than the CDM Smith forecast with regard to the Aqueduct connection and pipeline construction. The projections are reasoned estimations based on various factors and the figures are always subject to change.

growth rates for these projections range from 4.5 percent to 8.2 percent. The table also includes the projected population that was established for this DGEIS study, as explained below.

Table 3.2-2 Comparison of Population Projections for Kiryas Joel		
Reference	Population	Annual Growth Rate
US Census 2010	20,175	
US Census Actual Growth 2000 to 2010		5.4%
Orange County Department of Planning "Summary of Population Projections" (OCDP Aug.2010)		7.8% to 8.2%
Kiryas Joel DEIS on Aqueduct Connection (CDM 2003)		5.9%
Kiryas Joel Amended FEIS on Aqueduct Connection (CDM 2009)		5.0%
Orange County Water Master Plan (OCDP Oct.2010) based on Orange County Planning Data		8.2%
	Projected to Year 2025	
Demographic Study (AKRF 2009)	40,161	4.5%
Orange County Planning (OCDP Pop.2010)	53,609	7.9%
Kiryas Joel Annexation DGEIS (TMA 2015)	42,297	5.6%
Table prepared by TMA, 2015.		

The population projections made for this DGEIS are slightly higher than the AKRF demographic forecast made as part of EIS for the Aqueduct connection and pipeline construction, and notably lower than other Orange County projections. It is noted that such projections are reasoned estimations based on various factors and the figures are always subject to variation.

The ten-year population projection used for this DGEIS is based upon the actual number of female students enrolled today in the Village’s private religious schools. These girls will be the basis of new families as they customarily marry and remain in the Village. The average family size of 5.9 persons per family recorded by the 2012 US Census American Community Survey (ACS) has been used to estimate the future family size.

The population projection used in this DGEIS also takes into account three key factors: anticipated births, deaths and in-migration/out-migration activity. The population was projected from the 2010 Census population as a base to the 2014 Census estimated population, and to 2025 by adding the number of families calculated from the female student population. Annual deaths are projected based on data from the National Center

for Health Statistics⁷. Net migration is estimated based upon data obtained through the Census in combination with data obtained from the Village. See Table 3.2-3, below. Table E-3 in DGEIS Appendix E further illustrates these calculations.

Taking into account births, deaths and migration activity, the 2014 population of the Village is estimated to be 22,634 persons in 4,086 families. This projection was compared to the number of marriage licenses issued in the Village between 2010 and 2013 and was also compared to the number of new building permits issued between 2010 and 2013 and found to be reasonable.

Projected out to year 2025, approximately 3,825 new families will have been established based upon the number of female students who will graduate each successive year and factoring in annual mortality and migration. These families will require 3,825 new dwelling units by 2025. Adding the existing village population, approximately 42,297 persons are projected to live in this community by 2025. This number takes into account factors for mortality, in-migration and accounts for the progression of family size from when a female student first marries until the average family size reaches 5.9 persons.

Table 3.2-3 shows the projected population growth in the Village of Kiryas Joel for each year between 2015 and 2025 where the population reaches 42,297. This represents an average growth rate of approximately 5.6 percent annually over the next ten years. As previously stated, this projection is comparable to the 2009 demographic forecast made for the Aqueduct Connection EIS.⁸

⁷ USA.gov, Center for Disease Control and Prevention, National Center for Health Statistics, accessed July 14, 2014.

⁸ Camp Dresser & McKee, "Amended Final Environmental Impact Statement for the Proposed Connection to the New York City Catskill Aqueduct". February 2009.

Table 3.2-3 Population in Kiryas Joel 2014 to 2025				
Year	Village of Kiryas Joel Population	% Change	Number of Total Housing Units	Number of New Housing Units
2014	22,634	3.4%	4,086	370
2015	23,466	3.7%	4,419	332
2016	24,301	3.6%	4,706	287
2017	25,497	4.9%	5,021	307
2018	26,984	5.8%	5,316	304
2019	28,864	7.0%	5,635	319
2020	30,890	7.0%	5,978	343
2021	32,945	6.7%	6,326	348
2022	35,177	6.8%	6,705	378
2023	37,432	6.4%	7,087	382
2024	39,870	6.5%	7,500	413
2025	42,297	6.1%	7,911	411
Average		5.6%		
Growth 2014 to 2025	19,663	64.4%	3,825	3,825

Source: US Census; NYS BEDS 2014; US Census 2012 American Community Survey.
Table prepared by Tim Miller Associates, 2015.

Based upon the age distribution of the existing population as reported by the US Census, approximately 41.5 percent or 8,160 persons of the projected population growth of 19,663 persons would be school age students.

Additional school facilities in Kiryas Joel are already under construction to accommodate the anticipated growth.⁹

Population Distribution - Without Annexation

The 507 acres of proposed annexation properties in the Town of Monroe are owned by individuals affiliated with the Hasidic community of Kiryas Joel and will be utilized for housing, with or without annexation.

Without annexation, residential development on the parcels proposed to be annexed is projected based on the maximum development densities permitted by the Town zoning and the existing average family size of Kiryas Joel families. A lot by lot projection based on full development of developable vacant and underdeveloped land yields the potential for approximately 1,431 dwelling units, accommodating 1,431 new families, or

⁹ Phone conversation with Joel Petlin, Superintendent of Schools, Kiryas Joel UFSD, April 10, 2014.

approximately 7,356 persons (allowing for family growth up to 5.9 persons per unit) on the annexation lands.

At the same time, new development will occur in Kiryas Joel to accommodate all or a portion of the remainder of the growing Hasidic population under this scenario. The new development that would be necessary (on undeveloped or under-developed parcels) to accommodate the entire net population growth would amount to 2,394 new dwelling units for some 12,307 persons.

If the entire remaining population were to be accommodated within the existing Village limits, there would be a significant increase in density in certain locations. Some or all of this population could also locate in other areas proximate to Kiryas Joel rather than within the existing Village, including in Monroe, Woodbury and South Blooming Grove. However, for the purpose of this analysis a maximum impact scenario is presented that locates all remaining population within the existing Village limits.

Population Distribution - With Annexation

With annexation, this DGEIS assumes that development on the parcels proposed to be annexed from the Town of Monroe will be developed over time to accommodate projected growth of the community at densities consistent with recent new developments in Kiryas Joel as discussed in Section 3.1, Land Use and Zoning. All of the projected population growth over the next ten years could be accommodated within the annexation lands. In this scenario, it is projected that approximately 19,663 persons would reside on the annexation properties in new dwelling units. Thus, 3,825 new housing units would potentially be constructed on the annexation lands under this scenario. It is important to recognize, however, that this projected growth would occur over a long time horizon, a period of a decade or more. The projections contained herein would not occur at once, and during that period of growth, consistent with historic trends, adjustments to municipal budgets and tax rates will be ongoing based upon political decisions, the local and regional economy and the needs of the population.

Annexation of 507 acres would accommodate all of the projected growth of the Hasidic population thus alleviating pressure for new development within Kiryas Joel. This represents the maximum impact scenario with annexation for the purposes of this DGEIS.

A tabulation of these two scenarios is provided in DGEIS Appendix E. The development densities that would accommodate these populations are discussed in Section 3.1 and presented in Table E-1 of Appendix E. Both of the above analyses use the projected and imminent Hasidic population growth as a point of reference and distribute that growth in different ways. Overall, the impact of the proposed annexation will relate exclusively to the change in distribution of the population between the Town and Village land.

Effect of Annexation

Under either growth scenario, the proposed annexation parcels will likely be occupied by the Hasidic population, with or without annexation. Table 3.2-4 below illustrates population distributions of these two scenarios. Under the two study scenarios, the effect of the annexation action is an incremental 3,825 new units being built in the annexation properties which will accommodate an estimated population growth of 19,663 persons.

Under the no annexation scenario, the houses to be constructed are likely to be larger units accommodating two families in condominium ownership, consistent with the Town of Monroe’s zoning regulations (single family home with accessory apartment) and the prevailing ownership style of new construction. The housing to be built in the Village is likely to be built as multifamily housing held in condominium ownership.

The ownership style affects the relative assessed valuation of the future housing to be built. The higher density multifamily units anticipated to be built in the expanded Village of Kiryas Joel as a result of the annexation will result in creation of housing stock that is relatively affordable to the future population of this area.

Table 3.2-4						
Change in Population Distribution Without and With Annexation of 507 acres						
	Without Annexation			With Annexation		
	Number of Units	Population	Density du/acre*	Number of Units	Population	Density du/acre*
Village of Kiryas Joel	2,394	12,307	9.26	0	0	5.84
Annexation Properties in Town of Monroe	1,431	7,356	2.82	3,825	19,663	7.54
Total Net Change (2025)	3,825	19,663		3,825	19,663	6.55 **

* Density represents existing dwellings plus new dwellings.
 ** Average density of expanded Village after annexation.
 Source: Table E-1, Change in Population Distribution, Tim Miller Associates, Inc., 2015.

3.2.2 Fiscal Analysis- Municipal Taxes

This section evaluates the potential impacts to fiscal conditions that may result from annexation. It looks at the projected population growth and projects a reasonable scenario of full build out of the housing which would be necessary to accommodate this population growth over the next ten years.

The discussion of the taxes and revenues utilizes current assessed values and 2014 tax rates. With no changes in assessments, these rates are likely to increase over time. Consistent with fiscal impact methodology used in planning practice for nearly forty years¹⁰, the property tax revenues have been determined by considering what would be generated if a development scenario is completed and occupied today. The methodology recognizes that build out of the annexation lands is projected to occur over a period of ten years and that it is likely that inflation will increase costs and revenues over time. It is well established that the rising costs of public services are matched by a commensurate increase in revenues through increases in the tax rate, all other things being held constant.

The discussion of increased or decreased revenues is presented to evaluate the relative change in costs or revenues projected out over ten years, based on current tax rates. Actual increases in assessed valuation and costs would be accounted for by an adjustment to the overall tax rate resulting in balanced budgets for the respective municipalities or school districts being discussed.

Existing Fiscal Conditions

The Village of Kiryas Joel is an incorporated village in the Town of Monroe. The Town of Monroe Tax Assessor establishes the assessed property values for both the Town and the Village for Town and County taxes. The annexation parcels currently pay townwide taxes to the Town of Monroe in addition to paying Highway and General Fund Part Town Outside the Village taxes to the Town of Monroe. The Town also collects taxes to fund fire protection, library services, municipal lighting and refuse collection services that are provided to its residents.

According to the 2014 Assessors Report, the total assessed value of the Town of Monroe, including the Villages is \$590,287,545, of which 73.9 percent is residential, 9.7 percent is commercial and 10.8 percent is utilized for community services. Of the Town's total assessed value, \$508,437,471 is taxable and \$65,677,925 or 11.1 percent is tax exempt.

¹⁰Robert Burchell, and David Listokin, The Fiscal Impact Handbook. The Center for Urban Policy Research, New Brunswick NJ. 1978.

By comparison, the total 2014 assessed value of the Village of Kiryas Joel is \$154,464,556, of which 68.8 percent is residential, 8.6 percent is commercial and 19.3 percent is used for community services. Of the Village’s total assessed value, \$122,706,086 is taxable and \$29,568,625, or 19.1 percent is tax exempt.

According to the Town of Monroe Assessor, the 2014 assessed value (equalized) of the 177 parcels being considered for annexation is \$9,751,310 (refer to letter in Appendix H1). Table 3.2-5 shows the current tax rates for the Town of Monroe and the resultant taxes paid to the various taxing jurisdictions by the annexation parcels. The tax revenues presented are based on current 2014 assessed value and current 2015 tax rates. With no changes in assessments, these rates are likely to increase over time. Consistent with fiscal impact methodology¹¹, the property tax revenues have been determined by considering what would be generated if the anticipated development were completed and occupied today.

Future Taxes without Annexation - Pre Development

As set forth in Table 3.2-5 below, prior to any new development taking place, without annexation, the current tax revenues would continue to accrue to the respective taxing jurisdictions at the prevailing tax rates, including the Monroe-Woodbury School District.

Table 3.2-5 Current Municipal Taxes Generated by Annexation Parcels			
Taxing Authority	Assessed Value	Tax Rate*	Current Taxes (\$)
Orange County	\$9,751,310	\$20.0067	\$195,092
Monroe General Fund Townwide	\$9,751,310	\$6.4538	\$62,933
Highway Townwide	\$9,751,310	\$0.8576	\$8,363
Total Monroe Townwide Tax	\$9,751,310	7.3114	\$71,296
Monroe General Fund Part Town	\$9,751,310	\$1.6658	\$16,244
Monroe Highway Fund Part Town	\$9,751,310	\$1.2923	\$12,602
Monroe Fire OutsideVillage	\$9,751,310	\$4.7395	\$46,216
Monroe Library	\$9,751,310	\$3.0905	\$30,136
Monroe Lighting	\$9,751,310	\$0.4116	\$4,014
Monroe Refuse	\$9,751,310	\$1.4821	\$14,452
Total Town of Monroe TOV	\$9,751,310	\$12.6818	\$123,664
Total Town of Monroe	\$9,751,310		\$194,960
TOTAL MUNICIPAL & COUNTY			\$390,051
*Tax Rate per \$1,000 of Assessed Valuation; Assessed Value per Tax Assessor; August 19, 2014			
Source: Tax Assessor Town of Monroe, January 6, 2015			

¹¹ Ibid.

Future Taxes with Annexation - Pre Development

As shown in Table 3.2-6 below, prior to any new development taking place, with annexation, property tax on the annexation parcels would be paid to the Village. In addition to the taxes paid to the Village, these properties would continue to pay townwide general fund and highway taxes to the Town.

With annexation taxes would continue to be paid to the Town by the Village properties, totaling \$71,296. However, upon annexation, the annexation properties would no longer pay the taxes for highway part town, fire, library, lighting or refuse as these services would be provided by the Village and paid for by Village taxes. Table 3.2-6 shows the municipal taxes to be paid with annexation, prior to any new development taking place.

Table 3.2-6 Future Municipal Taxes - With Annexation			
Taxing Authority	Assessed Value	Tax Rate*	Taxes (\$)
Orange County	\$9,751,310	\$20.0067	\$195,092
Town of Monroe Townwide	\$9,751,310	\$6.4538	\$62,933
Highway Fund Town Wide	\$9,751,310	\$0.8576	\$8,363
Total Town of Monroe	\$9,751,310	\$7.3114	\$71,296
Village of Kiryas Joel Tax	\$9,751,310	\$16.32	\$159,141
TOTAL MUNICIPAL & COUNTY			\$425,529
*Tax Rate per \$1,000 of Assessed Valuation. Assessed Value per Tax Assessor, 2014.			
Source: Town of Monroe Adopted Budget November 17, 2014; Village of Kiryas Joel 2014			

Table 3.2-7 shows a comparison of the taxes due to the respective municipalities without and with annexation. The assessed valuation is shown for existing conditions, prior to any future development taking place in the Town or the Village.

Upon annexation, the taxes generated to the Town of Monroe would be reduced by approximately \$123,664 (the Town Outside Village Taxes). This reduction in taxes would occur at the same time as a reduction in the services required from the Town and the Fire District which would now be provided by the Village.

The Village's tax rate is higher than the Town's Town Outside the Village (TOV), tax rate, resulting in an increase of overall municipal taxes collected from the annexation parcels by approximately \$35,477.

**Table 3.2-7
Comparison of Future Taxes by Municipality from Annexation Lands
Pre Development**

Taxing Authority	Assessed Value	Tax Rate*	Future Taxes Without Annexation	Future Taxes With Annexation
Orange County	\$9,751,310	\$20.0067	\$195,092	\$195,092
Townwide	\$9,751,310	\$6.4538	\$62,933	\$62,933
Highway Townwide	\$9,751,310	\$0.8576	\$8,363	\$8,363
Total Monroe Townwide Tax			\$71,296	\$71,296
Highway TOV	\$9,751,310	\$1.2923	\$16,244	\$0
Part Town	\$9,751,310	\$1.6658	\$12,602	\$0
Monroe Fire	\$9,751,310	\$4.7395	\$46,216	\$0
Monroe Library	\$9,751,310	\$3.0905	\$30,136	\$0
Monroe Lighting	\$9,751,310	\$0.4116	\$4,014	\$0
Monroe Refuse	\$9,751,310	\$1.4821	\$14,452	\$0
Total Town Outside Village Tax			\$123,664	\$0
Village of Kiryas Joel Tax	\$9,751,310	\$16.32	\$0	\$159,141
TOTAL MUNICIPAL & COUNTY			\$390,052	\$425,529
*Tax Rate per \$1,000 of Assessed Valuation (2015 tax rates).				
Assessed Value per Town of Monroe Tax Assessor, 2014.				
Source: Tax Rates; Orange County, Town of Monroe Adopted Budget November 17, 2014				

At the present time, the KJSD boundary and the municipal boundary of the Village of Kiryas Joel are the same. The action of annexation does not automatically alter the school district boundaries as further discussed in DGEIS section 3.2.7. Discretionary actions on the part of both school districts are required to modify this boundary.

Since the school district boundary does not automatically change as a result of annexation, and the action to amend the school district boundaries is not a part of the current SEQRA action, no adjustment in the foregoing tax analysis has been made with regard to school taxes. However, as discussed in the May 6, 2014 letter from the Superintendent of the Kiryas Joel Public School to the Monroe-Woodbury School District, and as referenced in the resolution passed by the Kiryas Joel School Board on May 13, 2014 (included in Appendix B for reference); the potential for a relocation of the school district boundary would be supported by the Kiryas Joel School District. Long term impacts based upon the potential future redistricting of the school districts are discussed later in this chapter.

It should be noted that due to the likely religious affiliation of the growing population, it is not anticipated that a significant number of new students would be attending the schools of the Monroe-Woodbury School District.

3.2.3 Future Assessed Valuation upon Development of the Annexation Properties

As discussed earlier, the subject annexation properties are owned by individuals affiliated with the Hasidic community of Kiryas Joel and will likely be utilized for housing with or without annexation. The population is projected to grow by 19,663 persons between the years 2015 and 2025. Development of residential housing in the study area is anticipated to occur to accommodate this population growth and construction of this new housing will result in an increase in the assessed valuation of the subject parcels. It is the relative distribution of this population into the Town or the Village that will be different based upon the outcome of the annexation petition.

Housing Distribution - Without Annexation

As described above and tabulated in Appendix E, without annexation, residential development based on the maximum development densities permitted by the Town zoning yields approximately 1,431 dwelling units, accommodating 1,431 new families. The remainder of the growing Hasidic population would need to reside elsewhere. For the purpose of this analysis, to assess the maximum impact, the remaining housing has been designated as being built within the existing Kiryas Joel Village limits, amounting to 2,394 new dwelling units.

Housing Distribution - With Annexation

Also as described and tabulated, with annexation, this study assumes that development on the parcels proposed to be annexed will be developed at densities similar to projects currently being built in the Village. Annexation of the 507 acres would accommodate all of the projected growth of the community over the next ten years. It is projected that 3,825 new housing units will be constructed on the annexation land.

Current and Projected Assessed Value

Development of the annexation parcels that are undeveloped or underdeveloped will increase their assessed valuation.

The current assessed value of the parcels considered for annexation is \$9,751,310 according to the Town of Monroe Assessor (Appendix H4). This fiscal analysis is based upon the anticipated residential development. As discussed earlier, commercial development makes up approximately ten percent of the current municipal assessed valuation in both the Town and the Village. It is anticipated that this ratio would be similar under future conditions. Commensurate increases in commercial development to support the anticipated residential growth and the resulting taxes generated would be in addition to the tax projections discussed herein.

Using the data from Appendix E, Table 3.2-8 shows the projected increase in assessed valuation for the annexation parcels developed with the number of units projected, based upon 2015 market values, for both the Town of Monroe and the Village of Kiryas Joel without annexation. By comparison, Table 3.2-9 shows the increase in assessed valuation for the annexation parcels to the Village of Kiryas Joel after residential development is complete with annexation taking place.

Table 3.2-8 Future Assessed Value of the Study Area Without Annexation					
NO ANNEXATION Assessed Value of Developed Annexation Parcels & KJ Village Growth					
Municipality	Type of unit	# of units	Market Value per unit	Total Assessed Value*	Increase in Assessed Value
Annexation Parcels - Town of Monroe	Single Family w/ Accessory Apt	1,431	\$285,000	\$79,527,825	\$69,776,515
Village of Kiryas Joel	Multifamily	2,394	\$295,500	\$137,948,265	\$137,948,265
Total		3,825			\$207,724,780
* Utilizes 2015 Equalization rate of 19.50%					
Source; Town of Monroe Assessor and Orange County Real Property Website, Image Mate On Line Future Assessed Value based upon representative housing data as described in Section 3.1, Vintage Vista and a review of the Values for Condos sold in the Village 1/1/2012 - 10/9/2014 ; TMA 2015.					

Table 3.2-9 Future Assessed Value of the Study Area With Annexation					
WITH ANNEXATION Assessed Value of Developed Annexation Parcels & KJ Village Growth					
Municipality	Type of unit	# of units	Market Value per unit	Total Assessed Value*	Increase in Assessed Value
Annexation Parcels annexed to Village of Kiryas Joel	Multifamily	3,825	\$295,500	\$220,406,063	\$230,157,373
Village of Kiryas Joel	Multifamily	0	\$295,500	\$0	\$0
Total		3,825			\$230,157,373
* Utilizes 2015 Equalization rate of 19.5%					
Source; Town of Monroe Assessor and Orange County Real Property Website, Image Mate On Line Future Assessed Value based upon representative housing data as described in Section 3.1, Vintage Vista and a review of the Values for Condos sold in the Village 1/1/2012 - 10/9/2014; TMA 2015.					

3.2.4 Future Projected Tax Revenues

Future Taxes without Annexation - Post Development

Table 3.2-10 shows the revenues to be generated by the annexation properties, *without* annexation, to the respective taxing jurisdictions after the residential development is complete. Revenues are based on 2015 tax rates. Again, this is based on 1,431 dwelling units that would be built in the annexation lands that would remain in the Town of Monroe and 2,394 units that would be built within the existing Village limits of Kiryas Joel.

Without annexation, increased tax revenues would accrue to certain Town taxing districts from development of 1,431 units on the annexation lands in Monroe consistent with current land use patterns; and increased tax revenues would accrue to Kiryas Joel from the 2,394 units projected to be built within the existing Village limits.

As presented in Table 3.2-10, if growth were to occur as projected herein, the increase in annual projected revenues to the Town in 2015 dollars would be approximately \$2,403,651. Increased revenues to the Village of Kiryas Joel would total \$2,251,316. The increased property tax revenues to Orange County for the combined development in the Town and the Village would be approximately \$4,155,887 annually. Without annexation, the increase in total municipal property taxes from the developed annexation parcels would be \$8,810,854 should development occur as projected in this scenario.

Table 3.2-10 Future Increased Revenues by Jurisdiction Without Annexation - Post Development			
Taxing Authority	Assessed Value Improved Land	Tax Rate** 2015	Future Tax Increase
Orange County *	\$207,724,780	\$20.0067	\$4,155,887
Monroe Townwide *	\$207,724,780	\$6.4538	\$1,340,614
Monroe Highway Townwide *	\$207,724,780	\$0.8576	\$178,145
Monroe Part Town General Fund +	\$69,776,515	\$1.6658	\$116,234
Monroe Highway TOV +	\$69,776,515	\$1.2923	\$90,172
Monroe Fire +	\$69,776,515	\$4.7395	\$330,706
Monroe Library +	\$69,776,515	\$3.0905	\$215,644
Monroe Lighting +	\$69,776,515	\$0.4116	\$28,720
Monroe Refuse +	\$69,776,515	\$1.4821	\$103,416
Total Town of Monroe		19.9932	\$2,403,651
Village of Kiryas Joel	\$137,948,265	\$16.32	\$2,251,316
TOTAL MUNICIPAL & COUNTY			\$8,810,854
** Tax Rate per \$1,000 of Assessed Valuation (2015 tax rates). Tax Rates Orange County, NY Image Mate On Line, * \$ 208,300,940 is total assessed value of improvements on annexation land (1,431 units) & growth within Kiryas Joel (2,394 units). + \$70,352,675 is total estimated assessed value of improvements on annexation land only (1,431 units). Source: Assessed Value per Town of Monroe Tax Assessor, 2015.			

Future Taxes with Annexation - Post Development

Table 3.2-11 shows the increase in revenues to be generated by the 3,825 new units, *with* annexation, to the respective taxing jurisdictions after development of the parcels is complete. Revenues are based on 2015 tax rates.

As previously stated, annexation properties would continue to pay townwide taxes to the Town of Monroe. As presented in Table 3.2-11, there would be an increase in annual revenues to the Town of Monroe of approximately \$1,682,773. However, as shown in Table 3.2-7, the annexation properties would no longer pay the TOV taxes to the Town, estimated to be \$123,665. Instead the annexation properties would pay the Village to provide those services, thus the net increase to the Town would be \$1,559,107.

Increased tax revenues to the Village of Kiryas Joel would total \$3,756,168. The revenue increase to Orange County would be approximately \$4,604,690 annually.

With annexation, total municipal taxes are projected to be \$9,919,965. This is largely a result of the higher density development on the annexation lands anticipated under the annexation scenario resulting in additional tax revenues being generated on the annexation lands.

Table 3.2-11 Future Increased Revenues by Jurisdiction With Annexation - Post Development			
Taxing Authority	Assessed Value	Tax Rate*	Future Tax Increase
Orange County	\$230,157,373	\$20.0067	\$4,604,690
Monroe Townwide	\$230,157,373	\$6.4538	\$1,485,390
Monroe Highway Townwide	\$230,157,373	\$0.8576	\$197,383
Total Town of Monroe	\$230,157,373	\$7.3114	\$1,682,773
Reduction in TOV Taxes	\$9,751,310		(\$123,665)
Net Tax Gain Town of Monroe			\$1,559,107
Village of Kiryas Joel Tax	\$223,818,963	\$16.32	\$3,756,168
TOTAL MUNICIPAL & COUNTY			\$9,919,965
*Tax Rate per \$1,000 of Assessed Valuation. 2015 Tax Rates			
Assessed Value per Town of Monroe Tax Assessor; 2015.			
\$ 195,718,122 is total assessed value of improvements on annexation land (1952 units) & growth within Kiryas Joel (1,873 units).			
Source: Tax Rates; Orange County, NY Image Mate On Line, 2015.			

3.2.5 Municipal Costs Associated with Development of Annexation Parcels

Consistent with standard fiscal impact methodologies,¹² an approximate estimate of the respective costs to the Town of Monroe and the Village of Kiryas Joel associated with the projected residential development may be determined by obtaining a reasonable composite of current municipal costs on a per capita basis and multiplying this amount by the anticipated population in each municipality.

Through a review of the municipal operating budget, the amount of expenditures can be derived and, by dividing the population into the amount of expenditures, the per capita cost can be determined. To estimate the portion of the per capita cost which is paid for by property tax revenues (as opposed to other forms of income), the per capita cost is multiplied by the proportion that property tax revenue comprises of the overall income stream.

This generalized methodology estimates the overall costs. The methodology was discussed with the Town of Monroe Comptroller and he acknowledged that for the purpose of this analysis municipal costs are most reasonably assessed on an aggregate level.¹³ It is noted that commercial and other land uses place demands on the various governmental services

¹² Burchell & Listokin. The Fiscal Impact Handbook. 1978.

¹³ Phone conversation with Peter Martin PhD, Town of Monroe Comptroller, on January 7, 2015.

which contribute to the per capita costs being overstated. Based on these factors the generalized methodology projects a conservative estimate of the municipal costs.

Per Capita Municipal Cost - Town of Monroe

According to the Town of Monroe annual budget, the Town's tax rate includes governmental services, justice court, fire protection services, street maintenance, public parking, lighting, parks and recreation.

In this instance, the adopted 2015 municipal budget for the Town of Monroe amounts to \$8,363,175. The tax levy represents 52.2 percent of the revenue of the total municipal budget. Other revenue sources include New York state aid, mortgage tax, revenue from Town usage fees and municipal fines etc. The total amount to be raised by taxes is \$4,365,258. The town includes the villages of Monroe, Kiryas Joel and a portion of the Village of Harriman. Costs and revenues have been separated into Townwide which includes the Villages, and Town-Outside- the-Villages (TOV).

The total Townwide tax levy, including the General Fund and Townwide Highway services is \$3,760,601 of which approximately 64% or \$2,406,785 is attributable to costs associated with residential assessed valuation, divided by the 2012 townwide population of 42,194 indicates a per capita cost for townwide services of approximately \$57. This cost applies to all residents including those who live in the Villages.

Residents who live outside the Villages pay additional Town taxes for TOV services. The tax levy for these services is \$604,657 and the TOV population is currently 8,765 persons (2012 Census estimate), resulting in a per capita cost for these services of an additional \$69 per person. Thus, the total per capita municipal cost for residents who live outside the Villages is approximately \$126 per person.

Per Capita Municipal Cost - Village of Kiryas Joel

As stated above, Village residents pay Townwide taxes to the Town. As discussed above, the per capita cost for townwide services is \$57. Village residents do not pay TOV fees, but instead pay Village taxes for these services which the Village provides, as discussed below.

According to the Village of Kiryas Joel budget, the Village tax rate includes governmental services, public safety, fire protection, street lighting, public sanitation services, social service programs and public transit services in addition to the funds used to pay the Town of Monroe for highway maintenance.

In this instance, the adopted 2014-2015 municipal budget for the Village of Kiryas Joel amounts to \$8,017,366. The total amount to be raised by taxes is \$2,079,358, of which

approximately 72% or \$1,497,138 is attributable to residential assessed valuation. The tax levy represents 25.9 percent of the total Village budget. Sales Tax distribution represents an additional 37 percent of the Village's revenue. It should be noted that in addition to tax revenue, the Village derives substantial revenue from usage fees, specifically the refuse and garbage charges which represent an additional 20.3 percent of the municipal revenue stream.

According to the latest US Census data, the 2012 estimated service area population for the Village of Kiryas Joel is 21,357 persons. Dividing the Village budget to be raised by residential taxes by the Village population results in a per capita Village municipal expenditure per person of \$70. Thus the total municipal expense to a Village resident is \$70 for Village services plus \$57 per capita for Townwide services for a total of \$127 per person.

As identified in the road maintenance agreement between the Village and the Town, contained in Appendix F5 for reference, the Village has approximately 11 miles of roads that are maintained by the Town of Monroe Highway Department under a contract with the Town for which the Village pays approximately \$225,000 annually. Payment for this service is included in the calculation of per capita cost described above.

Municipal Cost - Without Annexation

As described earlier, development without annexation would add approximately 7,356 persons to the population of the Town (outside the Village) and 12,307 persons to the population of the Village over the next ten years. Table 3.2-12 provides a summary of the expenses compared to the anticipated tax revenues for the respective municipalities. Using the Townwide plus TOV per capita municipal cost of \$126 per person in the Town, plus \$57 per person paid by Village residents for townwide services, municipal expenses would grow by \$1,628,355 in the Town. Using the \$70 per capita for Village services, the cost to the Village is projected to be \$861,490. As presented in Table 3.2-10, upon development of the residential housing, without annexation, the revenues to the Town are projected to be \$2,403,651 and the revenues to the Village are estimated at \$2,251,316. Thus, without annexation, **after** covering the cost of municipal services (using the aforementioned assumptions), the development will result in an annual net benefit of \$775,296 to the Town and a net tax benefit of \$1,389,826 to the Village from residential growth. Commercial growth to support the increased residences will serve to further increase the net tax benefit of development.

Table 3.2-12 Revenue & Cost Summary: Without Annexation					
Jurisdiction	Projected Taxes	Residents	Per Capita Cost	Projected Costs	Net Benefit
Town of Monroe		7,356 (Town)	\$126 (Townwide plus TOV)	(\$926,856)	
		12,307 (Village)	\$57 (Townwide)	(\$701,499)	
Total Town	\$2,403,651			(\$1,628,355)	\$775,296
Village of Kiryas Joel	\$2,251,316	12,307 (Village)	\$70 (Village)	(\$861,490)	\$1,389,826

Source: Tim Miller Associates, Inc., 2015.

Municipal Cost - With Annexation

As also stated, development with annexation would add approximately 19,663 persons which could be accommodated in the newly annexed properties over the next ten years. Table 3.2-13 provides a summary of the projected tax revenue compared to the anticipated cost for municipal services once annexation takes place. Using the per capita municipal costs of \$70 per person in the Village, municipal expenses would grow by \$1,376,410 in the Village. At an estimated per capita cost for Townwide services of \$57, the Village's share for townwide services would total \$1,120,791. This cost is somewhat overstated as the population of Kiryas Joel do not utilize the full extent of Town services, particularly in light of the fact that more than forty percent of the future population growth will be young children. As presented in Table 3.2-11 upon development of the residential housing, with annexation, the revenues to the Village are estimated at \$3,756,168 and revenues to the Town are estimated at \$1,559,107.

Thus, after covering the cost of municipal expenses, the annexation would provide the Village with a net tax benefit of \$2,379,758, and would result in a net benefit of \$438,316 to the Town. This in essence means that the Townwide tax revenue more than covers the Village's share of townwide expenses. As discussed above, the Kiryas Joel community does not utilize the full extent of Town Services, so the cost calculation detailed earlier, which is based upon a generalized aggregate of costs, is overstated, thus the net tax benefit to the Town is expected to be even greater.

Table 3.2-13 Revenue & Cost Summary: With Annexation					
Jurisdiction	Projected Taxes	Residents	Per capita cost	Projected Costs	Net Benefit
Town of Monroe	\$1,559,107	19,663	\$57 Townwide	(\$1,120,791)	\$438,316
Village of Kiryas Joel	\$3,756,168	19,663	\$70 Village	(\$1,376,410)	\$2,379,758

Source: Tim Miller Associates, Inc., 2015.

As discussed earlier the net benefits would result in modification to tax rates, which would occur as necessary to balance the Town’s budget. It should be noted that the tax analysis contained herein is based exclusively upon residential development. As these annexed lands are developed they will stimulate a need for additional commercial growth to support the population. This commercial growth will increase the tax ratables in the Village further improving the tax revenues necessary to cover Village services.

Highway Maintenance Fees

It is estimated that there are approximately three miles of public roadways that already exist in the annexation land and it is further estimated that an additional three to five miles of roadway would be constructed and dedicated to serve the future development in the annexation parcels. Under the annexation scenario, there would be a reduction in the roads under the jurisdiction of the Town and a commensurate increase in the roads under the jurisdiction of the Village.

In the current contract between the Village and the Town for highway maintenance, fees charged equate to approximately \$20,000 per mile for annual maintenance. To the extent this methodology is applicable, additional fees ranging from approximately \$120,000 to \$160,000 per year would need to be paid by the Village for the Town to maintain these roads upon annexation and development. These fees would accrue to the Town and would be in addition to the Town tax revenue generated by the parcels.

Water & Sewer User Fees

The Village of Kiryas Joel owns, operates and maintains its water supply infrastructure. The Village has made a commitment in planning for the establishment of a long term reliable and safe water supply for its current and future water demands. (Further discussion is included in DGEIS section 3.5.)

It should be clearly understood that with or without annexation, the combined growth in the Kiryas Joel Village proper and the annexation lands will accommodate the new

residents. That being the case, the regional water demand will be the same. Payment for water is based upon the collection of usage fees paid to the Water District.

The properties in the Village have been paying taxes or usage fees for water and sewer services for over 30 years to cover the cost of the water and sewer infrastructure and services provided. In addition to the taxes paid to the Orange County Sewer District No. 1, the Village charges a hookup fee plus user fees based on the volume of water used.

In addition, water connection fees established by the Village are \$6,000 for each new housing unit in the existing Village and \$25,000 per unit outside the existing Village limit by agreement, with or without annexation. These fees will be used, in part, for the Village debt service on its water infrastructure, including the Catskill Aqueduct connection project which is currently under construction. Funding for the repayment of bonds will come from the collection of these user fees, with or without annexation.

3.2.6 Fiscal Analysis - Schools

Student Population

It is estimated that the number of students attending the parochial schools in the region will increase by approximately 8,160 students between 2015 and 2025 (approximately 41.5 percent of the projected population growth). This represents an approximate doubling of the existing school age population. Costs were compared with anticipated tax revenues to the Monroe-Woodbury and Kiryas Joel school districts, under a variety of scenarios, to determine the fiscal impact which would result. It should be noted that due to the religious nature of the new population, annexation is not expected to result in a significant number of new students attending the schools of the Monroe-Woodbury School District.

Monroe-Woodbury School District

The proposed annexation properties are located within the Monroe-Woodbury Central School District (MWSD), which encompasses a region of approximately 35,000 total population. There are seven public schools serving the District, which are further described in section 3.3 of this DGEIS.

The annexation properties in the MWSD have a current assessed valuation of \$9,751,310 (equalized).¹⁴

With the current school tax rate of approximately \$132 per \$1,000 assessed value, the 507 acres proposed for annexation currently generate \$1,289,757 in tax revenue annually to the MWSD.

¹⁴McDonald, April, Assessor, Town of Monroe. Certification of Town Assessor. December 27, 2013.

The School District's budget for the 2014-2015 school year is \$156,576,323 of which approximately \$108,174,462 or 69 percent, is raised from local property taxes. The tax revenue generated by the 507-acre annexation properties represents approximately one percent of the total tax levy to the district.

The MWSD supports the needs of the large non-public school population that live in the District. There are currently approximately 500 non-public school students in the district at a total cost of approximately \$850,000¹⁵ which equates to \$1,700 per student. The MWSD also pays tuition for special education students from Hasidic families in the MWSD to attend the Kiryas Joel public school. There are currently 10 such full time students in the district at an average cost of approximately \$79,000 per student annually. In addition there are part time students who figure into the calculation of costs, current enrollments include 5 part time students.

Per Student School Cost - Monroe-Woodbury School District

The School District's budget for the 2014-2015 school year is \$156,576,323. The District's enrollment is approximately 7,200 students. Thus, the average expenditure per student is approximately \$21,750. However, the District receives state aid and other sources of funding which offset a portion of its costs. Based upon the current budget approximately \$108,174,462, or approximately 69 percent of the budget, is raised from local property taxes. Thus, the per student cost of a MWSD student attending public school, to be raised by property taxes, is estimated at \$15,005. Private school students, such as those residing in Kiryas Joel, are entitled to transportation, remedial services, books and other services which are provided by their public school district. In the MWSD, these costs are estimated to be approximately \$1,700 per student.¹⁶ An increased private school population of 8,160 students would increase costs to the district by an estimated \$13,872,000. A substantial portion of these funds are ultimately reimbursed by New York State and federal sources. Approximately 60 percent of transportation costs, 25 percent of special educational costs and 100 percent of the cost of remedial services and instructional materials are paid for through state and federal reimbursements.

Kiryas Joel Schools

The Kiryas Joel Union Free School District (KJSD), boundary is coterminous with the municipal boundary of the Village of Kiryas Joel. There is one public school in the Village. Properties in the Village pay taxes to the KJSD at the current tax rate of approximately \$74 per \$1,000, thereby generating \$9,732,821 annually to the KJSD

¹⁵ Data provided by the Business office of the Monroe-Woodbury School District, January 16, 2015.

¹⁶ Information from the Monroe-Woodbury Assistant Superintendent of Business, Gregory Sullivan; January 11, 2015.

District's budget which totals \$22,633,965. Based upon actual services provided the 2014-2015 tax levy was adjusted to \$9,247,530.

At the present time (for reasons explained below) the KJSD provides educational services to special needs students only, remedial services as required, school books, and transportation for its attendees. There are approximately 165 full time school age students attending the Kiryas Joel public school of which 101 are residents of Kiryas Joel. Ten of these students are from Monroe Woodbury and the remainder are from other districts in the region.

Based upon certain accommodations that are culturally appropriate to the Hasidic population which is served by this school (e.g. Kosher meals, bilingual Yiddish language services), as indicated above, a number of special needs Hasidic students who live outside of Kiryas Joel in the surrounding school districts also attend the Kiryas Joel public school. To accommodate these students, the District collects tuition from the contributing districts.

The MWSD pays a per student tuition to the KJSD for these special needs students which varies depending upon the level of services which the student requires. This tuition typically averages \$79,000 per student per year.¹⁷

Historically there have been between 6 and 10 Monroe-Woodbury special needs students who attend the Kiryas Joel public school annually, thus the tuition payment to the Kiryas Joel District may range from \$474,000 to \$790,000 annually, As stated earlier, current enrollments include 10 special needs students from MWSD .

The overwhelming majority of school aged children who reside in the Village attend private parochial schools located in or near the Village that specifically serve the local Hasidic community. Current student enrollment in the private schools is approximately 11,000 students in three schools. These schools provide a foundation in basic education plus religious teachings, but do not provide, and often rely on, certain services that are provided by the public school system including services to special needs students, remedial services as required, school books, and transportation to the private school.

Per Student School Cost - Kiryas Joel School District

The Kiryas Joel School District's budget for the 2014-2015 school year is \$22,633,965. The KJSD enrollment is approximately 165 students. Direct instruction, operations, administration, benefits and general support of the schools special needs population is budgeted at approximately \$16,000,000. This district provides public school services to the substantial population of private school students. The remaining budgetary funds equaling approximately \$6,600,000 support the needs of the private school population. Current

¹⁷ Phone conversation with Joel Petlin, Superintendent of Schools, Kiryas Joel UFSD, December 2014.

enrollment in the private schools is roughly 11,000 students, of which 6,000 are located within the Village boundaries. As discussed, private school students are entitled to transportation, remedial services, books and other services provided by the public school district in which they live. In the KJSD, these costs are estimated to be approximately \$1,100 per student.¹⁸

3.2.7 Potential Impacts - Future Projected School Tax Revenues and Costs

Impacts to Private Parochial Schools

The overwhelming majority of students that live in this area attend private religious schools. An emphasis on education in general and specifically a religious education is one of the basic foundations of Hasidic religious life. Each private school is funded mainly through tuition payments and private donations. Families pay tuition on a sliding scale, based upon the number of children a family has in the school and their financial ability to pay, to cover the cost of education at these private schools.

It is anticipated that a significant expansion of the private religious schools will be necessary to accommodate the inevitable population growth in the study area, with or without annexation. According to the Superintendent of the KJSD construction of expanded and additional private school facilities is already underway to accommodate this growth.

Impacts to Public Schools

At the present time, the KJSD boundary and the municipal boundary of the Village of Kiryas Joel are the same. NY State education law sets forth the method by which school districts may alter their boundaries. Any change to the district boundary would require action on the part of the boards of education of both the MWSD and the KJSD. Such action is separate and distinct from the proposed annexation action, although as previously stated, a separate petition to ultimately annex the subject lands into the Kiryas Joel School District would seem likely.

The educational needs of the anticipated population in the project area will need to be accommodated by the schools. It is reasonable to assume that the overwhelming majority of the new students will attend the private schools of Kiryas Joel which serve the unique needs of the community. Both private religious schools and to a lesser extent the KJSD public school will need to expand to accommodate the growing school aged population in the study area. As previously stated, due to the religious nature of the new population, annexation is not likely to result in a significant number of new students attending the schools of the MWSD.

¹⁸Discussion with Joel Petlin, Superintendent of Kiryas Joel Public School on January 23, 2015 to assess cost of private school student to public school district.

Future School Taxes without Municipal Annexation - Pre Development

Existing School District Boundary

This discussion relates to existing circumstances that will continue if the municipal annexation of 507 acres does not occur and there is no change to the school district boundary line. The school tax revenue generated from the annexation properties that is being paid to the MWSD, currently \$1,289,757, will continue to be paid to the District, without annexation and with no changes in assessed value. (Typically, tax revenue can be expected to increase to keep pace with costs.) There will be minimal change in future school tax revenue under this scenario. The MWSD will continue to support the non-public school population and will also continue to pay tuition for special needs Hasidic students to the Kiryas Joel School District.

The school tax revenue generated by the KJSD will continue to be paid to that District, and the variable student tuition paid by the MWSD to the KJSD for special needs students will also continue, under this scenario.

Revised School District Boundary

It is unlikely that, without annexation taking place, there would be any motivation to revise the current School District boundary lines into the Town of Monroe.

Future School Taxes with Municipal Annexation - Pre Development

Revised School District Boundary

This discussion relates to circumstances that will occur if the municipal annexation of 507 acres **does** occur and there is also a change to the school district boundary lines; prior to any additional development taking place. As discussed in the May 6, 2014 letter from the Superintendent of the KJSD, to the MWSD, (included in Appendix B for reference), should annexation take place, the potential for a relocation of the school district boundary would be supported by the KJSD. The resolution stating this support, passed by the KJSD on May 13, 2014, is also included in Appendix B for reference.

Under this scenario, with the subject properties annexed into the Village and the school district boundary modified to remain coterminous with the new Village boundary, the resultant tax revenue from the annexation properties would accrue to the KJSD in the amount of approximately \$723,840. The lower amount of school taxes compared to the MWSD is due to the lower school tax rate in Kiryas Joel.

The school tax revenue generated by the annexation properties amounting to \$1,289,757 would cease to be paid to the MWSD District. The MWSD would no longer be required to pay tuition for special needs students who attend the KJSD public school ranging from \$474,000 to \$790,000 annually. In addition, MWSD would no longer be responsible for the support services for the non-public school student population estimated to cost \$850,000 annually thus balancing out the loss in tax revenue.

Existing School District Boundary

This discussion relates to circumstances that would occur if the municipal annexation of 507 acres does occur but there is no change to the school district boundary lines prior to any additional development taking place.

Under this circumstance a portion of the MWSD would be located within the new Village boundaries. The analysis presented in this DGEIS assumes that the annexation properties will continue to be occupied by Hasidic families with or without annexation.

Even with annexation, prior to any future development taking place, there would be little change to existing fiscal conditions from the school district's perspective. School tax revenue generated by the annexation properties (\$1,289,757) would continue to accrue to the MWSD. Any student tuition paid by the MWSD to the KJSD, estimated to average \$464,000 to \$790,000 would also continue. The MWSD would continue to incur costs of approximately \$850,000 annually to provide support services to non-public students in the district. Payment of these expenses would eliminate the fiscal benefit of the tax revenue derived from the annexation properties.

Future School Taxes without Municipal Annexation - Post Development

Existing School District Boundary

This discussion relates to circumstances that will occur if the municipal annexation of 507 acres does not occur and there is no change to the school district boundary lines, after future development of the 507 acres occurs. Table 3.2-14 shows the future revenues and costs to be generated by the annexation properties, without annexation, to the MWSD after residential development of the annexation parcels is complete. Revenues are based on the projected assessments discussed earlier in this section and utilize 2015 tax rates.

It is projected that 1,431 new dwelling units, housing 7,356 persons including 3,052 students will occupy the annexation lands, without annexation. As presented in Table 3.2-14, annual revenues to the MWSD would grow to approximately \$9,228,992 upon full build out development of the annexation parcels. The variable student tuition paid by the MWSD to the KJSD for special needs students is estimated at \$79,000 per year. At current ratios, it is

projected that up to an additional 30 special needs students may live in this area, at a cost of \$2,370,000. The current cost of services to non-public school students is estimated at \$1,700 per student. Without annexation, the non-special needs student population in the MWSD is expected to grow by 3,022 students¹⁹, resulting in a cost of \$5,137,400. Payment of the special education tuition plus the cost of non-public school services is projected to be \$7,507,400 compared to a tax revenue of \$9,228,992 resulting in a net benefit to the MWSD of \$1,721,592.

Table 3.2-14 Future Public School Taxes Without Annexation - Post Development (507 Acres) Assumes No Change to the School District Boundary Line					
Taxing Authority	Assessed Value	Tax Rate*	Future Taxes (\$)	Cost	Net Benefit
Monroe-Woodbury School District	\$69,776,515	\$132.27	\$9,228,992	(\$7,507,400)	\$1,721,592
Kiryas Joel Union Free School District	\$137,948,265	\$74.23	\$10,239,900	(\$9,513,800)	\$726,100

*2015 Tax Rate per \$1,000 of Assessed Valuation.

Annual revenue is also projected to increase by \$10,239,900 in the KJSD based on the projected growth within the existing Village.

Student growth in the KJSD is projected to be 5,108 total students, of which up to 50 students may have special needs. At similar costs for providing special education services and at an estimated \$1,100 per student for the cost of non-public services; the cost of providing education services for 5,108 students is estimated to be \$9,513,800 resulting in a net benefit to the KJSD of \$726,100.

Revised School District Boundary

If the municipal annexation does not occur, it is unlikely that there would be any motivation to revise the current KJSD boundary lines into the Town of Monroe.

Future Taxes with Municipal Annexation - Post Development

Revised School District Boundary

This discussion relates to circumstances that will occur once the municipal annexation does occur and after development of the 507 acres takes place, and assumes there is a commensurate change to the school district boundary lines. Upon annexation, the current school tax revenue of \$1,289,757 from the annexation parcels would no longer accrue to the

¹⁹3,052 total students in the annexation lands minus the 30 special needs students = 3,022 non-public students.

MWSD. The MWSD would also no longer be responsible for providing non-public school services or pay the special education tuition fees to the KJSD, described above to be estimated at \$7,507,400 (refer to Table 3.2-14). As discussed, given the likelihood that future families residing on the subject lands would be culturally affiliated with the Hasidic population in Kiryas Joel, their students would be likely to attend either the local parochial schools, or for students with special needs, the Kiryas Joel Public School.

Table 3.2-15 shows the revenues and costs to be generated by the annexation properties, with annexation, to the KJSD after the residential development of the annexation parcels is complete under the assumption the school district boundary is also changed. Revenues and costs are based on the projected assessments discussed earlier in this section and utilize 2015 tax rates. Table 3.2-15 also shows the fiscal impact of removing the annexation parcels from the MWSD and shows the current costs for special education services which would no longer need to be paid if these properties are removed from the tax rolls.

As presented in Table 3.2-15, annual revenues to the KJSD would grow by approximately \$17,084,582 upon development of the annexation parcels. The projected student population associated with this growth is 8,160 students of which up to 80 students may have special needs. Utilizing the average annual cost of \$79,000 per student for special education services (\$79,000 x 80 = \$6,320,000), plus the KJSD estimated \$1,100 per non-public school student cost, for non-special education students (\$1,100 x 8,080 = \$8,888,000), the total cost of services is estimated to be \$15,208,000, resulting in a net benefit of \$1,876,582.

Table 3.2-15					
Future Public School Taxes With Annexation - Post Development (507 Acres)					
Assumes the School District Boundary Line is Changed to new Municipal Boundary Line					
Taxing Authority	Assessed Value	Tax Rate*	Future Taxes	Cost	Net Benefit
Monroe-Woodbury School District	(\$9,751,310)**	\$132.27	(\$1,289,757)**	\$1,640,000***	\$350,243**
Kiryas Joel Union Free School District	\$230,157,373	\$74.23	\$17,084,582	(\$15,208,000)	\$1,876,582

* 2015 Tax Rate per \$1,000 of Assessed Valuation.
 ** Represents a removal of property from assessment rolls and an increase in net tax revenue due to the special education costs which are no longer the MWSD responsibility.
 *** Represents the current cost of special education services and transportation which would need to be posted against the MWSD Tax Revenue

Existing School District Boundary

This discussion relates to the circumstances that would occur after the municipal annexation occurs and after development of the 507 acres takes place, but assumes there is no change to the school district boundary lines.

Under this circumstance, residents of a significant portion of the MWSD would live within the new Village boundaries. It is estimated that within the ten year growth period 3,825 dwelling units, housing 19,663 persons, would live on the annexation lands. The annexation scenario presented in this DGEIS assumes that the annexation properties will continue to be occupied by Hasidic families (with or without annexation). With annexation, the pattern of development that is envisioned to occur on the annexation lands would be similar to recent development within the Village of Kiryas Joel.

Table 3.2-16 shows the revenues to be generated by the annexation properties upon annexation to the MWSD. Since all of the projected population growth can be accommodated by development in the annexation lands, no growth has been attributed to the existing Village of Kiryas Joel lands, thus no increase in tax revenue or costs to the KJSD is shown in Table 3.2-16. Revenues are based on the projected assessments discussed earlier in this section and utilize 2014-2015 School tax rates.

As presented in Table 3.2-16, annual revenues from the annexation properties to the MWSD are projected to be \$30,441,769. This would represent approximately 28 percent of the current school district tax revenues. Special Education student tuition would continue to be paid by the Monroe-Woodbury District. Currently approximately 1.0 percent of the school age population are special education students. The student population on the annexation lands is anticipated to grow by approximately 8,160 students. Based on current percentages, it is reasonable to assume approximately 80 students may have special education needs. At an average cost of \$79,000 annually, the resultant tuition cost of special education services to be paid by the MWSD is projected to be \$6,320,000 annually (80 students x \$79,000 = \$6,320,000).

In addition, as detailed earlier, the cost to the MWSD for providing the support services to a private school student are estimated at approximately \$1,700 annually per student.²⁰ Growth of 8,038 non-special education students will result in an increased expense of an additional \$13,664,600. (\$1,700 per student x 8,080 = \$13,736,000). Thus, the overall expense to the MWSD of \$20,056,000 compared to an increase in tax revenue of \$30,441,769 would result in a net benefit of \$10,385,769. It should be noted that a portion of the funds a district spends on special education and transportation services is ultimately reimbursed by New York State and federal funding sources. Approximately 60 percent of transportation costs, 25 percent of special educational costs and 100 percent of the cost of

²⁰ MWSD Business Office: January 2015.

remedial services and instructional materials are paid for through state and federal reimbursements.

Table 3.2-16 Future Public School Taxes With Annexation - Post Development (507 Acres) Assumes No Change to the School District Boundary Line Annexation Lands Only					
Taxing Authority	Assessed Value	Tax Rate*	Future Taxes	Cost	Net Benefit
Monroe-Woodbury School District	\$230,157,373	\$132.27	\$30,441,769	(\$20,056,000)	\$10,385,769
Kiryas Joel Union Free School District	\$0.00	\$74.23	\$0.00	\$0.00	\$0.00

* 2015 Tax Rate per \$1,000 of Assessed Valuation.

Development of these newly annexed lands consistent with current densities in the Village of Kiryas Joel without any adjustment to the school district boundary will result in a substantial net benefit in tax revenue to the MWSD, based primarily on the fact that the growing student population will not be attending the Monroe-Woodbury schools. To keep things in perspective, if the 8,160 student growth were to be MWSD students at a cost of \$15,005 per student, costs of more than \$122 million would need to be paid compared to tax revenue of \$30 million, resulting in a substantial net deficit.

3.2.8 Summary of Impacts to Annexation Lands Only

As has been repeatedly discussed, population growth of the Hasidic community is projected to occur with or without annexation. The preceding analysis of population and demographic impacts projects circumstances that are likely to occur to accommodate this growth, which will be distributed in the annexation lands, in the existing Village of Kiryas Joel, and in the surrounding region.

However, under SEQRA, the proposed action is specific to the annexation lands. The following summary provides the statistics derived as described in the preceding sections, but related to only the annexation lands.

Population

The total regional population growth is projected to be 19,663 persons of which 41.5 percent, or 8,160 persons are anticipated to be school age children. Without annexation, 7,356 persons, including 3,052 students, will live on the annexation lands; compared to 19,663 persons, including 8,160 students, living on the annexation lands with Annexation.

Tax Revenue Town of Monroe

Without Annexation, gross tax revenues to the Town of Monroe from the annexation lands will total \$1,395,056. Municipal costs described earlier for a combined Townwide and Town outside the Village are estimated at \$126 per person, thus municipal costs for the 7,356 population projected to live on the annexation lands would be \$926,856, thus a net tax benefit of \$468,200 can be expected.

With Annexation, gross tax revenues to the Town of Monroe from the annexation lands will total \$1,559,107. Town of Monroe Townwide municipal costs are estimated at \$57 per person. Municipal costs for the 19,663 population projected to live on the annexation lands are projected to be \$1,120,791, thus a net tax benefit of \$438,316 can be expected. It is noted that the Kiryas Joel residents do not use all the Town services that the \$57 per person represents and thus, the net benefit is understated.

Tax Revenue Village of Kiryas Joel

Without Annexation, there will be no increase in tax revenue or municipal costs to the Village of Kiryas Joel from the annexation properties.

With Annexation, based upon the increase in assessed valuation, gross tax revenues to the Village of Kiryas Joel from the annexation lands will total \$3,756,168. Municipal operating costs to the Village are projected to be \$70 per person equating to \$1,376,410, thus a net tax benefit of \$2,379,758 is projected. These funds will be used to fund capital project costs (such as sewers, sidewalks, fire trucks, fire substation, and parks) that are not funded by grants or other sources to accommodate the growth in the newly expanded Village.

Monroe-Woodbury School District

As has been described, alteration of the district boundary between the MWSD and the KJSD boundary will not occur automatically upon annexation, but instead would require separate administrative actions requiring agreement from both school district's Boards of Education.

Without Annexation, and with no change to the school district boundary, the MWSD will see growth of the Hasidic population on the annexation land of approximately 1,431 families. As shown in Table 3.2-14, based on the increase in assessed valuation on the annexation lands only, revenues to the MWSD are projected to be \$9,228,992, compared to projected costs of \$7,507,400 indicating a net benefit of \$1,721,592. Without Annexation, there could be no school district boundary change, as the boundary of the KJSD was stipulated to be coterminous with the Village boundary.

With Annexation, and with a coterminous school district boundary, as shown in Table 3.2-15, revenues to the KJSD are projected to be \$17,084,582, compared to projected costs of \$15,208,000, indicating a net benefit of \$1,876,582. Table 3.2-15 also shows the fiscal impact of removing the annexation parcels from the MWSD and shows the current costs for special education services which would no longer need to be paid if these properties are removed from the tax rolls. The cost savings are more than the loss in tax revenue which will result in net benefit to the MWSD of about \$350,000 annually.

With Annexation, but with no change to the school district boundary, the MWSD will see considerable growth of the Hasidic population on the annexation land of approximately 3,825 families. As shown in Table 3.2-16, revenues to the MWSD are projected to be \$30,441,769, compared to projected costs of \$20,056,000, indicating a net benefit of \$10,385,769, based primarily on the fact that the growing student population would not be attending the MWSD schools.

Under this circumstance a portion of the MWSD would include lands within the new Village boundaries, and as previously discussed, the annexation properties would be occupied by Hasidic families whose children would primarily attend private schools. The population growth would result in 3,825 families in the annexation lands who would have voting rights on school district matters. The Monroe-Woodbury School Board will have to carefully consider the relative merits of having a large portion of the District residents whose children do not attend the public schools, compared to the potential for additional revenue.

Table 3.2-17 provides a summary of the demographic and fiscal analysis specific to the annexation lands.

Table 3.2-17 Fiscal & Demographic Analysis - Annexation Lands Only Post Development		
Area of Concern	<i>Without Annexation</i>	<i>With Annexation</i>
Development	Full Buildout to 2025	Full Buildout to 2025
Residential Units		
Residential Units in Annexation Territory	1,431	3,825
Community Resources		
Total Population Increase 19,663 persons	7,356	19,663
Total School-age Children ¹ 8,160 students	3,052	8,160
Town of Monroe		
Tax Revenue - Post Development	\$1,395,056	\$1,559,107
Municipal Costs Without Annexation 7,356 population x \$57pp Townwide Cost = \$419,292 7,356 population x \$69pp TOV Cost = <u>\$507,564</u> TOTAL \$926,856	\$926,856	\$1,120,791
With Annexation 19,663 population x \$57pp Townwide Cost = \$1,120,791		
Net Revenue (Cost) to the Town of Monroe after covering expenses.	\$468,200	\$438,316
Village of Kiryas Joel		
Tax Revenue	\$0	\$3,756,168
Municipal Costs Without Annexation \$0.00	\$0	\$1,376,410
With Annexation 19,663 population x \$70pp Village Cost = \$1,376,410		
Net Revenue (Cost) to the Village of Kiryas Joel after covering expenses.	\$0	\$2,379,758
School Districts		
Net Benefit to the M-W School District after covering expenses	\$1,721,592*	\$350,243**
Net Benefit to the KJ School District after covering expenses	\$0*	\$1,876,582**
Notes: All numbers are approximate. ¹ Most school aged children would attend the local parochial schools. * With no change to the School District Boundary. ** With School District Boundary line change to be coterminous with revised annexation boundary. Source: Tim Miller Associates, Inc., 2015.		

3.2.9 Mitigation Measures

With or without annexation the increasing population within the Village will create a demand for additional community services in terms of public safety staffing, increased fire protection and increased need for emergency medical facilities. Tax revenues from the increasing assessed valuation in the Village and the Town will help to support the anticipated increases in fire protection equipment and facilities, anticipated increases in public safety officers and expansion of emergency medical facilities.

Under the Annexation scenario, certain fiscal impacts to the MWSD could be mitigated by the mutual consent of the KJSD and the MWSD to adjust the district boundaries to be coterminous with the municipal boundaries of the Village of Kiryas Joel as noted in the Kiryas Joel Board of Education Resolution dated May 13, 2014.