

3.2.11 Fiscal Comments and Responses

Comment 3.2.11-1: (Letter 9, Cathy Herbert, Tuxedo, June 14, 2015): The structure and finances within KJ require explanation and additional transparency, particularly if the village is to expand. The data that are readily available on public websites provides conflicting and troubling information that require explanation. Although data show that 93% of KJ receives public assistance, the US Census data paint a very different picture, with significant rates of home ownership and a median home price far above the median for the state. Although household income is low, the per capita expenditure per household is high.

<http://quickfacts.census.gov/qfd/states/36/3639853.html>

Please explain how this is possible and what factors are involved, as this will have ramifications in the future of KJ, particularly if it becomes larger.

Response 3.2.11-1: The Village's 2014-2015 Municipal Budget Summary was included in DGEIS Appendix H.

A review of the Census information referenced above, indicates the median household income in Kiryas Joel is \$24,430 compared to New York State where the median income is \$58,003. The median value of an owner-occupied housing unit in Kiryas Joel is \$355,200, however the home ownership rate is only 33.7 percent and 71.1 percent of the occupied housing units are rentals.

Retail sales per capita are \$2,789. Qualification for a variety of assistance programs is largely a function of low incomes and large family sizes. Currently a family of six can earn \$52,000 annually and still qualify for full free medical care. In addition, a family of 6 can earn up to \$114,000 annually and receive subsidized healthcare for their children.

Comment 3.2.11-2: (Letter 9, Cathy Herbert, Tuxedo, June 14, 2015): A search of the Orange County property database shows extremely low rates of taxation and no allocation for school taxes. Please elaborate on the property tax formula and the school tax formula and what the totals of these are for the village.

Response 3.2.11-2: The 2014-2015 Municipal Budget Summary for the Village of Kiryas Joel, included in Appendix H for reference, indicates a municipal tax rate of \$16.3174 per thousand dollars of assessed valuation in the Village. The budget shows the total Taxable Assessed Valuation for the Village is \$127,431,946. The total Village budget for the 2014 to 2015 fiscal year, as shown is \$8,017,366.

The Annual Budget for the Kiryas Joel School District, also included in Appendix H for reference, totals \$22,633,965 and results in a school tax rate of \$74.23 per thousand dollars of assessed valuation.

Comment 3.2.11-3: (Letter 9, Cathy Herbert, Tuxedo, June 14, 2015): The US Census data shows a median household income of @\$24,000 and yet family expenditures (5.58 family members) totals @\$40,000. Please explain the mortgage/home acquisition processes that apply in KJ. In my experience, a family making \$24,000/year would not qualify for a \$200K condo. Are mortgages made through banks? Through other entities? What percentage is designated for low-income? Does low-income housing receive government funds? How are equal opportunity provisions of federal law enforced?

Response 3.2.11-3: *These questions are not pertinent and beyond the scope of the DGEIS assessment regarding annexation.*

Comment 3.2.11-4: (Letter 29, Mary Bingham, Monroe, June 21, 2015): The DGEIS seems to be primarily concerned with population growth and impacts on public services. I could not find any information on the economic impacts the annexation would have. In order for "smart growth" to take place, jobs and economic opportunities must be provided. There was no analysis in the DGEIS regarding the possible effects on business as to how many jobs would be lost or gained in each municipality.

Response 3.2.11-4: *Economic impacts are generally outside the scope of SEQRA review. The DGEIS does present an analysis of fiscal impacts as related to municipal taxes. As noted in the DGEIS, currently commercial development makes up approximately ten percent of the 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 in the DGEIS. The high density, pedestrian oriented development patterns that predominate in Kiryas Joel lend themselves to smart growth development.

Comment 3.2.11-5: (Letter 29, Mary Bingham, Monroe, June 21, 2015): The Monroe Free Library currently only serves the residents outside the Village of Kiryas Joel. Prior to 2005 the Village of Kiryas Joel residents paid library taxes and were able to use the library (see printout of articles "Kiryas Joel eager for own library" and "Monroe, NY- Regents Board Approves Changes To Monroe Library Charter Which Bans Kiryas Joel Residents"). The Town of Monroe parcels currently pay taxes to and are entitled to use services provided by the Monroe Free Library. Should the annexation result in the Village of Kiryas Joel obtaining the parcels, the Monroe Free Library could face a loss of \$215,644 in future tax revenue. The remaining Town of Monroe residents would then be responsible to make up the loss. There should be an additional table in the DGEIS showing the loss of revenue to the library (see page 3.2-17 of the DGEIS). Currently there is only Table 3.2-11 listing the increased revenues, but nothing for lost revenue. Section 3.2.9 of the DGEIS, Mitigation Measures, should also list the increased demand for library services (public or private) as children especially are known to use materials/services provided by a library. Finally, the DGEIS should give the location of the private libraries that are currently serving the needs of the residents of the Village of Kiryas Joel.

Response 3.2.11-5: *Current tax revenues from the annexation lands which go to the Monroe Library total \$30,136 annually. As noted in DGEIS Table 3.2-7, these revenues would no longer accrue to the Library if annexation were to take place.*

The projected revenues of \$215,644 may accrue to the Town Library if development takes place as projected without annexation taking place; these revenues would not accrue to the Library if annexation takes place. This is not actually a loss of revenue since the Monroe Library does not currently receive these funds. At the same time, the Monroe Library would also not be responsible for providing library services to 1,431 residences projected to occupy the annexation properties under No Annexation, nor would the Kiryas Joel residents vote on Library budgets.

Currently resource materials are provided to the children of Kiryas Joel by a variety of private religious schools that serve the community. Public library facilities are being considered by the Village as it continues to plan for the needs of the community.

Comment 3.2.11-6: (Letter 38, Michael Kroposki, June 20, 2015): The draft shows almost no negative impacts by assuming up front that there will be the same population growth with or without annexation. This is just not so. If the regions bordering KJ cannot accommodate large fast growth it would not take place. Secondly it misses the real issues "Is the annexation area suitable for high density growth and is it economically feasible.

6 NYCRR 617.1 Provides: (d) It was the intention of the Legislature that the protection and enhancement of the environment, human and community resources should be given appropriate weight with social and economic considerations in determining public policy, and that those factors be considered together in reaching decisions on proposed activities. Accordingly, it is the intention of this Part that a suitable balance of social, economic and environmental factors be incorporated into the planning and decision making processes of state, regional and local agencies. It is not the intention of SEQRA that environmental factors be the sole consideration in decision-making.

The Kiryas Joel (KJ) land annexation Petitions present a complex interplay of economic, social and environmental issues. The primary one is whether KJ is presently an economically viable municipality and whether the expansion of it results in an economically viable entity.

Response 3.2.11-6: *The balancing of economic, social and environmental issues is the SEQRA mandate.*

Higher density growth, such as is taking place in the Village, requires less land area and a more consolidated network of infrastructure than suburban sprawl at densities that much of the surrounding land is zoned for in the Town.

The current Village of Kiryas Joel as a municipality is quite solvent and able to invest in the necessary infrastructure to support its population. For example, the Village developed its new four bay fire house and state-of-the-art Ezras Choilim Health Care Facility. Other recent community improvements include the Kinder Park, the KJ sewer plant, and women's service center. See Figure 2-4. The private religious schools are anticipating expansion, and plans for the necessary water and sewer infrastructure to supply the needs of the community have been thoroughly vetted.

Annexation will add to the land area in the existing Village and the anticipated population is projected to grow in a similar fashion as set forth in the DGEIS. Since current circumstances are economically viable, there is no reason to think that expansion of the Village would be economically unsound.

Comment 3.2.11-7: (Letter 38, Michael Kroposki, June 20, 2015): The Fiscal chapter in the draft is curiously devoid of most financial information concerning the projected costs of the annexation. With annexation it shows a KJ tax revenue surplus of about \$2,379,758 but does not indicate the specific projected cost of providing streets, water, sewers etc. to the annexation area. The draft uses a figure of \$70 per capita but does not provide any backup information to support the reasonableness of this figure. The whole issue of the additional costs of high density development is not addressed. There is almost no economic data for KJ in the draft

while at the same time complete budgets for the Town of Monroe and the MW School District are included!

Response 3.2.11-7: *Economic impacts are generally outside the scope of SEQRA review. Contrary to the comment, the DGEIS indeed provides a detailed discussion as to how the per capita municipal expenses are derived on pages 3.2-17 to 3.2-19. The method used is consistent with standard fiscal impact methodologies authored by noted practitioners Burchell & Listokin, in the Fiscal Impact Handbook, as referenced in the DGEIS.*

The DGEIS provides the same level of data for the Village as provided for the Town. Appendix H5 includes the budget summaries of the Village of Kiryas Joel, the Town of Monroe, the Kiryas Joel School District and the Monroe Woodbury School District. A signed copy of the current Kiryas Joel School District Budget Summary is included in the Appendix of this FGEIS.

Comment 3.2.11-8: (Letter 38, Michael Kroposki, June 20, 2015): There is a short reference to the KJ village budget that states the village tax revenue is 25.9% of the whole budget. Sales tax is said to contribute 37% and user fees 20.3%. There is no explanation as to the source of the remaining 16.9% assuming that the KJ Village presently has a balanced budget!

Response 3.2.11-8: *Revenues to support the Village's budget are in 42 separate line item accounts. The three largest line items are referenced above. The remaining line items, comprising the remaining 16.9 percent of the budget are derived from additional fees charged by the Village, including Treasurer fees, Village Clerk fees, passport application fees, public safety fees, records & research fees, bus transportation fees, planning board fees etc. Other sources of income include interest & earnings, utility leases, interfund transfers, mortgage taxes and NY State aid.*

The total revenues equals the total expenditures resulting in a balanced budget.

Comment 3.2.11-9: (Letter 39, Tracy Schuh, The Preserve Collective, Inc., June 22, 2015): We did not see where the question about parkland fees was addressed. The Town of Monroe's parkland fees and the estimated total fees that would be due the Town based on a build-out analysis, which would be given up if land is annexed into the Village, should have been addressed. We estimate a \$3,000 per unit fee x 1,431 potential dwelling units (as per DGEIS) = \$4,293,000.00 in potential parkland fees to the Town without annexation. Please note these parkland funds could be used to improve existing parkland in the Town, which can be utilized by those living in the proposed annexation area, and/or used to preserve additional open space in the area of the nearby County park and hiking trails. With annexation, these environmental benefits will be lost.

Response 3.2.11-9: *Under the no annexation scenario, the referenced parkland fees could be required by the Town of Monroe in lieu of parkland on site specific development applications if parks were not proposed as part of a development application. Presumably a future applicant could choose to dedicate parkland to the municipality eliminating the payment of fees in lieu of a parkland dedication.*

As noted elsewhere, the annexation petition was not accompanied by a development project or plan for the annexation territory. Any such development plan or project for all or a part of the annexation territory will be subject to all federal, State and local laws,

including SEQRA, the Village and/or Town zoning codes. Accordingly, while this DGEIS cannot identify which lots will include open space or park land, it does provide the background to alert future decision-makers, including the Village Board, Planning Board and Zoning Board of Appeals to consider the park land and open space needs of residents and to be carefully cognizant of important environmental assets of the annexation territory including Coronet Lake, regulated wetlands and protected wildlife areas. Indeed, securing and administering appropriate parks and open space is recommended in the Comprehensive Plan for the Village (FGEIS Appendix K).

Comment 3.2.11-10: (Letter 40, Russ Kassoff, Monroe, June 22, 2015): The average price of a single family home is now under 200k in the Town of Monroe outside of KJ in spite of what the real estate brokers will tell you. It is now cheaper to buy a house here than an apartment in KJ which averages 200K. A flyer has been distributed by KJ developers that indicate new construction will be \$200 per sq. foot!! The new apartments will be an average of 2400 square feet. That's an average price for new apartments of \$480K!!! People who have invested their life savings in a home in the Town of Monroe cannot sell their homes without giving them away, and even then nobody is coming here to even look at homes, let alone purchase. For this bucolic, rural residential community to suffer the immeasurable stress of losing their investments, being unable to leave when in fact most love living here, is all because of the uncertainty of uncontrolled development designed for one specific group of people that does not participate in the overall community.

***Response 3.2.11-10:** The issues identified in the comment are beyond the scope of the DGEIS. Nevertheless, as illustrated in DGEIS Figure 2-2, the overwhelming majority of the Town of Monroe is located south of NYS Route 17, soon to be Interstate 86. The entire existing Village of Kiryas Joel and the proposed annexation area are both located to the north of NYS Route 17. Barriers such as the Route 17 corridor provide a separation such that factors that influence real estate values and cultural diversities tend to remain confined.*

Comment 3.2.11-11: (Letter 50, John Ebert, Chairman, Monroe Conservation Commission, June 20, 2015): The DGEIS grossly overestimates the market value of future housing in the Village of Kiryas Joel. The entire fiscal analysis is incorrect, and the Town of Monroe will experience a deficit as a result of the proposed annexation. This is because the DGEIS does not establish market value using the rental income approach for the WA alternative.

***Response 3.2.11-11:** Market Values for the future multifamily development was projected based upon the income value approach, and was then compared to the assessed value of comparable recent multifamily development being built within Kiryas Joel. These calculations were then discussed with the Town Assessor who is responsible for the valuation of property in both the Town and the Village.*

Although actual valuation can only be done by the Assessor upon completion of construction, the methodology used was correct for multifamily condominiums and every effort was taken to insure it was reasonably accurate.

The Town of Monroe continues to receive Townwide tax revenues from development within the Village. Thus, even after annexation, the DGEIS projects the revenues would result in a net benefit to the Town of more than \$400,000 annually.

Comment 3.2.11-12: (Letter 50, John Ebert, Chairman, Monroe Conservation Commission, June 20, 2015): The median value of an owner-occupied housing unit is overestimated. The current value, based on the 2013 ACS estimate, is \$313,300, not \$365,600.

Response 3.2.11-12: At the time the work on the DGEIS was being prepared the 2008-2012 ACS data was the most up to date information. As reported in the DGEIS, based upon the 2008-2012 estimates the median value of an owner occupied housing unit was \$365,600. The 2009 to 2013 American Community Survey lists the number of occupied housing units as 3,716. The median value of owner occupied housing units, according to the 2009-2013 ACS Census Survey, is \$355,200, not \$313,300.

It must be noted the median values identify the mid point between the high and low values in a statistical analysis and do not necessarily represent the value that most of the units would have. The mode would define that value that occurs most often. The mode is not a statistic calculated by the US Census.

Comment 3.2.11-13: (Letter 50, John Ebert, Chairman, Monroe Conservation Commission, June 20, 2015): There is no supporting data for the market values assigned to the multifamily and single family dwellings.

Response 3.2.11-13: Refer to response 3.2.11-11. Market values for the single family dwellings are based upon a review of local real estate data for comparable houses.

Comment 3.2.11-14: (Letter 50, John Ebert, Chairman, Monroe Conservation Commission, June 20, 2015): The DGEIS fiscal analysis does not estimate market value based on the rental income approach. The DGEIS specifically states that the multifamily residences will be in condominium ownership under the WA. The equivalent market values for condominiums are significantly less than their sales market value based on the manner in which condos are valued using the rental income approach, and the fact that the units are not situated on individual fee simple lots.

Response 3.2.11-14: In New York State, condominium units are assessed according to the NYSRPS, Section 339-y of the Condominium Act which requires that each condominium unit, together with its common interest, be assessed as one parcel, and provides that the sum of the assessments of all the units cannot exceed the valuation that the condominium as a whole would have if it were assessed as a single parcel. Thus, section 339-y places a ceiling on the aggregate value of the assessments of the units and requires assessors to value a condominium complex as a single entity to determine that ceiling. This ceiling provides a built-in assessment "cap" as a result of the condominium form of ownership. The Condominium Act further stipulates that the assessed valuation be determined based upon the income value approach similar to commercial properties. Refer to response 3.2.11-11.

Comment 3.2.11-15: (Letter 50, John Ebert, Chairman, Monroe Conservation Commission, June 20, 2015): Only 32.3 percent of dwelling units in the VKJ are owner-occupied. The majority of dwellings are rental units. The fiscal analysis significantly overestimates the total market value of the dwellings under the WA, as the values will be much lower, based on the majority of dwellings being rentals, and not fee simple units. In comparison, build out under the WOA would result in significantly higher market values, as the DGEIS acknowledges that the dwellings would be in fee simple ownership, comparable to existing

single family detached dwellings on their own individual properties, including most recently Forest Edge and Vintage Vista.

Response 3.2.11-15: *Although the majority of occupants are renters, each unit or group of units is owned by somebody and that owner is responsible for payment of taxes. As discussed, the methodology used to project the assessed valuation is based upon an income value approach, consistent with real property laws governing condominiums. Refer to response 3.2.11-11.*

In the No Annexation scenario, the market values for the single family dwellings to be built on the annexation lands, are based upon a review of local real estate data for large single family houses in the Town of Monroe.

Comment 3.2.11-16: (Letter 61, Denis E. A. Lynch, Feerick, Lynch, MacCarthy, PLLC, June 22, 2015): Throughout the DGEIS, there are references to increases in tax revenue to the Village of KJ and other taxing entities due to the increase in value of assessable properties and the availability of additional tax revenue to increase services. As one example see p. 1-5, with reference to "net tax benefit". In actual practice, the amount of tax revenue to be assessed is based on budgetary needs of the taxing entities. All other factors being equal, the result of the increased value of new development would be to decrease (almost always very modestly) the overall tax rate and thus the amount to be paid by existing property. As presented, the statements are at least misleading. For example, see p 1-5, second paragraph, with reference to net tax benefits being used to fund capital projects. This is not the case. All references should be revised, and to be truly informative, examples should be provided.

Response 3.2.11-16: *Standard methodologies used for fiscal impact analysis determine a per capita cost and compare the aggregate of that cost to the anticipated tax revenues to provide a generalized basis for comparison of two scenarios. If the costs are determined to exceed the tax revenues then additional taxes will need to be paid, usually in the form of a tax rate increase.*

Conversely if the anticipated revenues are determined to be greater than the costs, then it is referred to as a net benefit, which translates into either a reduction in the tax rate, or, as more typically happens, the "benefit" gets absorbed into the general tax revenues and other unrelated costs are covered.

The generalization is important to allow a relative comparison as is the case in the DGEIS. The methodology allows a comparison to illustrate the differences between the Annexation Scenario and the No Annexation Scenario. It is not a misnomer to reference the potential for capital projects or infrastructure costs to be paid for by a "net benefit" that would otherwise potentially require a tax increase.

[Comments 3.2.11-17 to -25 moved to Section 3.3.10 as Comments 3.3.10-12 to -20.]

Comment 3.2.11-26: (Letter 67, Richard J. Pearson, PE, & Robert B. Peake, AICP, June 18, 2015): What is the impact on the property values of the properties adjoining the proposed annexation area, particularly for the properties that will be surrounded on three sides by the annexation lands?

Response 3.2.11-26: *The impact could be positive or negative depending upon the circumstances, as is always the case in real estate transactions. For somebody who does not wish to live in close proximity to the Village border, the property may have*

minimal appeal. However for somebody who wished to live in proximity to the Village, the property could command a premium.

Comment 3.2.11-27: (Letter 67, Richard J. Pearson, PE, & Robert B. Peake, AICP, June 18, 2015): The discussion of Table 3.2-11 Future Increased Revenues by Jurisdiction With Annexation—Post Development is misleading because the discussion compares tax revenues versus Pre-Development taxes and does not provide a comparison with Table 3.2-10 Future Increased Revenues by Jurisdiction Without Annexation—Post Development. This is a more valid comparison because the Post Development scenario in Table 3.2-10 will occur in any case. Thus, the difference in future taxes generated for With versus Without Annexation Post-Development for Orange County is \$448,803, for combined Monroe Townwide and Monroe Highway Townwide is \$164,014, and for the Village is \$1,504,852. A discussion is needed of the comparison of post development tax revenues generated with and without the annexation.

Response 3.2.11-27: As discussed below in Response 3.2.11-29, both DGEIS Tables 3.2-10 and 3.2-11 compare existing taxes based on the current assessed valuation of the annexation parcels (\$9,715,310) to the Post Development taxes for the With Annexation and Without Annexation scenarios, respectively. FGEIS Table 3.2-18 below provides the comparison as requested.

FGEIS Table 3.2-18				
Comparison of Future Taxes by Municipality from Annexation Lands				
Pre Development				
Taxing Authority	Tax Rate*	Future Tax Increase Without Annexation	Future Tax Increase With Annexation	Difference as a Result of Annexation
Orange County	\$20.0067	\$4,155,887	\$4,604,690	\$448,803
Townwide	\$6.4538	\$1,340,614	\$1,485,390	\$144,776
Highway Townwide	\$0.8576	\$178,145	\$197,383	\$19,238
Total Monroe Townwide Tax		\$1,518,759	\$1,682,773	\$164,014
Monroe Part Town General Fund	\$1.2923	\$116,234	\$0	(\$116,234)
Monroe Highway TOV	\$1.6658	\$90,172	\$0	(\$90,172)
Monroe Fire	\$4.7395	\$330,706	\$0	(\$330,706)
Monroe Library	\$3.0905	\$215,644	\$0	(\$215,644)
Monroe Lighting	\$0.4116	\$28,720	\$0	(\$28,720)
Monroe Refuse	\$1.4821	\$103,416	\$0	(\$103,416)
Total Town Outside Village Tax		\$884,892	\$0	(\$884,892)
Village of Kiryas Joel Tax	\$16.32	\$2,251,316	\$3,756,168	\$1,504,852
TOTAL MUNICIPAL & COUNTY		\$8,810,854	\$10,043,630	\$1,232,776
*Tax Rate per \$1,000 of Assessed Valuation (2015 tax rates).				
Source: Tax Rates; Orange County, Town of Monroe Adopted Budget November 17, 2014				

Comment 3.2.11-28: (Letter 67, Richard J. Pearson, PE, & Robert B. Peake, AICP, June 18, 2015): In Table 3.2-11, explain the basis for using 1,952 projected units on the annexation land and 1,873 units projected for growth within Kiryas Joel as a basis for deriving the \$195,718,122 total assessed value of the improvements for the future increased tax revenues by jurisdiction calculations. The Appendix E Table E-1 With Annexation Scenario "B" — Growth in the 507-

Acre Annexation Territory states that the projected number of dwelling units in the Annexation Land is 3,825 with zero projected net dwelling units needed in Kiryas Joel.

Response 3.2.11-28: *The reference note is in error. It is a carry over from a preliminary version of the 164 acre With Annexation – Post Development analysis, where 1,952 units are projected to be built on the Annexation lands and the remainder of 1,873 units would be built within the existing Village limits.*

The note on Table 3.2-11 in the DGEIS should read \$230,157,373 as the total assessed value of improvements in the Annexation land (3,825 units). The \$230,157,373 figure is the correct number for the 507 acre With Annexation – Post Development analysis. Only the reference note is misplaced.

DGEIS Table 3.2-11 Revised 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.			
\$230,157,373 is total assessed value of improvements on annexation land (3,825 units)			
Source: Tax Rates; Orange County, NY Image Mate On Line, 2015.			

Comment 3.2.11-29: (Letter 67, Richard J. Pearson, PE, & Robert B. Peake, AICP, June 18, 2015): The DGEIS Municipal Cost—Without Annexation section discusses the tax revenues as presented in Table 3.2-10. The rightmost column of Table 3.2-10 presents these tax revenues as "Future Tax Increase". Thus, this column is mislabeled because it does not represent the "Future Tax Increase" but rather the "Future Tax Revenue", and thus is misleading. This column description as well as a similar column heading in Table 3.2-11 must be changed accordingly. The discussion of the Tables on pages 3.2-15 through 3.2-17 must also be revised to reflect the correct description as Future Tax Revenue.

Response 3.2.11-29: *The rightmost column of Tables 3.2-10 and 3.2-11 are not mislabeled. The current assessed valuation of the annexation property (9,751,310) will remain the same as undeveloped land, with annexation or without annexation. The change in assessed value and the resultant taxes will only change upon development of the properties and that development will be influenced by whether the property is annexed or not.*

The DGEIS fiscal impact analysis uses the existing taxes generated by the annexation properties today as a baseline. The analysis then provides an estimate of what the future tax increase will be Without Annexation – Post development in Table 3.2-10; and an estimate of what the future tax increase will be With Annexation – Post Development in Table 3.2-11.

As requested by the commentor, a comparison of the results of these two analyses is included in FGEIS Response 3.2.11-27.

Comment 3.2.11-30: (Letter 67, Richard J. Pearson, PE, & Robert B. Peake, AICP, June 18, 2015): It is not noted that a comparison of the net tax benefit to the Town of Monroe as depicted on Table 3.2-12 and Table 3.2-13 shows a net reduction of the "Net Benefit" tax revenue of \$336,980 with the annexation compared to without the annexation. Thus, although as discussed in the DGEIS the Town's tax revenue under either scenario more than covers the cost of providing Town services, the net Town tax surplus is smaller by \$336,980 under the annexation scenario.

Response 3.2.11-30: *Comment noted. The net benefit to the Town of Monroe is projected to be \$336,980 more if development occurs as projected Without Annexation than would be expected With Annexation. However, as the commentor notes, With Annexation the tax revenues more than cover expenses to the Town.*

Comment 3.2.11-31: (Letter 67, Richard J. Pearson, PE, & Robert B. Peake, AICP, June 18, 2015): The DGEIS states that it is unlikely, without annexation taking place, there would be any motivation to revise the current Kiryas Joel School District (KJSD) boundary lines into the Town of Monroe. The DEIS then goes on to state at the bottom of the same page that the school tax rate in Kiryas Joel is lower than the school tax rate for the Monroe-Woodbury School District (MWSD). This would be an approximately 44% savings on the school tax rate per \$1,000 of assessed value as described in the DGEIS. That would seem to be a potentially significant motivation for revising the KJSD boundaries even without the annexation, especially since the vast majority of the students in the annexation lands attend parochial school.

Response 3.2.11-31: *While it is true that homeowners in the annexation area would pay reduced school taxes if they resided in the KJSD boundaries, the cost to provide services to the annexation area would be higher than the generated tax revenue. This is due to the lower tax rate (per thousand of assessed value) charged by the KJSD compared to the MWSD. Lower taxes are a "motivation" for homeowners but not for school districts that rely on tax revenue to pay for the programs and services that they provide. Nevertheless, the KJSD Board of Education has approved a boundary change of their District if the annexation would be approved (included in Appendix I). Neither school district has proposed a boundary change in the event that annexation is not approved.*

Comment 3.2.11-32: (Letter 77, Joanne P. Meder, AICP, Meder Consulting Services, June 22, 2015): The DGEIS contains virtually no discussion of potential fiscal impacts as they relate to services that are or may need to be provided by Orange County in the future, yet it is clear that some impacts will result. This significant omission in the DGEIS needs to be addressed.

Response 3.2.11-32: *Population growth is not an impact of annexation. Since both the Town and the Village are within the jurisdiction of Orange County, whether the*

anticipated population lives in the Town or lives in the Village, the administration of funds for County services would be the same.

Although funds for services such as Medicaid, S.N.A.P and H.E.A.P. are administered by Orange County, most of the funding for these services comes from the Federal government. Any increase in the need for County Services or Federal and State services administered by Orange County would be related to population growth, not to annexation.

From a generalized planning perspective, the projected population is essentially equal to the existing population of the Village of Kiryas Joel, so a doubling of current service levels would be a reasonable worst-case approximation. Orange County would need to plan for this service expansion with or without annexation. The County has been aware of this projected growth for many years and presumably is planning for the appropriate provision of services.

New development associated with the naturally occurring growth will generate substantial tax revenues to Orange County agencies (see page 3.2-17 of DGEIS.) Property tax revenue projections alone are in the neighborhood of \$4.6 million annually to Orange County if development occurs as projected.

To keep things in perspective, although a high percentage of Kiryas Joel residents receive assistance, they are not the majority population in Orange County. The population of Kiryas Joel (21,357) is less than 6 percent of the County's total population, (374,512).