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**North Castle Town Board as Lead Agency. Suggested Brynwood Scoping Issues:**

It's probably a safe bet to say that every proposed real estate development that is brought before a town board is presented in the most optimistic and favorable light. Developers are optimists by nature and remain enthusiastic about their future vision, always assuming the vision will turn out to be as successful in reality as it is on paper.

But things often don't work out as planned, which is why it is so important to evaluate the downside risks inherent in any real estate proposal. A basic rule of successful investing is to avoid being swayed by the promise of great gains – but rather make a careful and thorough analysis of what can be lost if the investment fails.

The applicant is asking North Castle to invest in its vision for the Brynwood property. It's a straight forward proposal: North Castle tax payers are being asked to change the zoning to provide Brynwood with a residential density bonus that is double what would be allowed under existing zoning rules.

In return for that 100% zoning bonus, Brynwood holds out the promise that the golf course will be saved and a resulting increase in property tax revenue will be a net benefit to North Castle. That sounds like a reasonable deal – but only if the Brynwood vision, and the financial projections that are based on that vision, come to pass.

Calculating the upside is easy – the applicant has provided all the projected numbers and underlying assumptions needed to justify the investment. But what about the downside risk? Understanding risk takes a more detailed, and less optimistic, analysis.

To help North Castle tax payers understand the risks of the Brynwood investment, the SEQRA Scope and resulting DEIS should include the following:

1. What is the impact on projected property taxes and sales tax revenue (and municipal expenses) if the golf course operation continues to lose money and eventually closes down? Assume the residential component is built as planned.
2. What is the impact on the projected property taxes and sales tax revenue (and municipal expenses) if the club house/ catering hall closes down? Assume the residential component is built as planned.
3. The purpose of the proposed 88 unit residential development, according to the applicant, is to "save the golf club operation". The applicant should explain, in detail, how this rescue will work:
  - (a) What is the current economic situation of the golf club and the catering operation? – provide evidence that the golf club business at Brynwood is indeed failing.
  - (b) What are the economic assumptions and projections that will turn the failing operation around and make saving the golf club possible?
  - (c) What is the economic impact if the residential component is restricted to no more units than are

possible as-of-right? (d) Show that the as-of-right number of residential units will not be sufficient to "save the golf club".

4. The market for condos is all but dead these days because so few people can get a mortgage to purchase a home or condo. Many existing and proposed condo developments are turning into rental developments because people still need housing and apartment rentals are affordable to a much broader market.

(a) What is the economic impact if the Brynwood condo units become predominantly rental units? (b) What is the impact on the school population if the Brynwood condos are occupied as rental units? – Study the as-of-right number and the proposed 88 number; (c) What is the estimated rental rate for each type and size of residential units.

5. The success of any real estate development depends on the accuracy of its construction cost estimates. The applicant has never built a project of this type in Westchester – or anywhere else that we know of. To avoid the blight that may result from a half finished construction site, the applicant should present its development cost estimates for review.

(a) What are the projected soft costs including SEQRA review, engineering, site design, surveying, environmental design, architectural, legal, accounting, permits and all other consultants? (b) What are the projected hard costs including site work, construction shell, construction interior finishes, landscaping, storm water system, sewer collection system, water distribution system, reclaim water (irrigation) system, roadway construction and utility distribution. (c) What are the carrying costs during construction including debt service, real estate taxes and insurance.

6. Marketing is a key component in the success of a residential project. The applicant has gone on record as having commissioned a professional marketing study that provides evidence that the proposed project will be well received by prospective buyers at what many would consider to be a high price point and a high monthly carrying cost. The applicant should provide the entire marketing study for review during SEQRA.

7. What is the development timetable - starting from the completion of SEQRA?

(a) How long will it take to construct the as-of-right units, and the 88 proposed units? (b) How long will it take for the units to be absorbed by the market? – or what is the estimated timetable for reaching full occupancy? (c) How long will it take to design, get approvals, and build the MIU units? (d) When will construction of MIU units begin?

Thank you for the opportunity to submit these suggestions. Bob Greene, 11/26/2012.