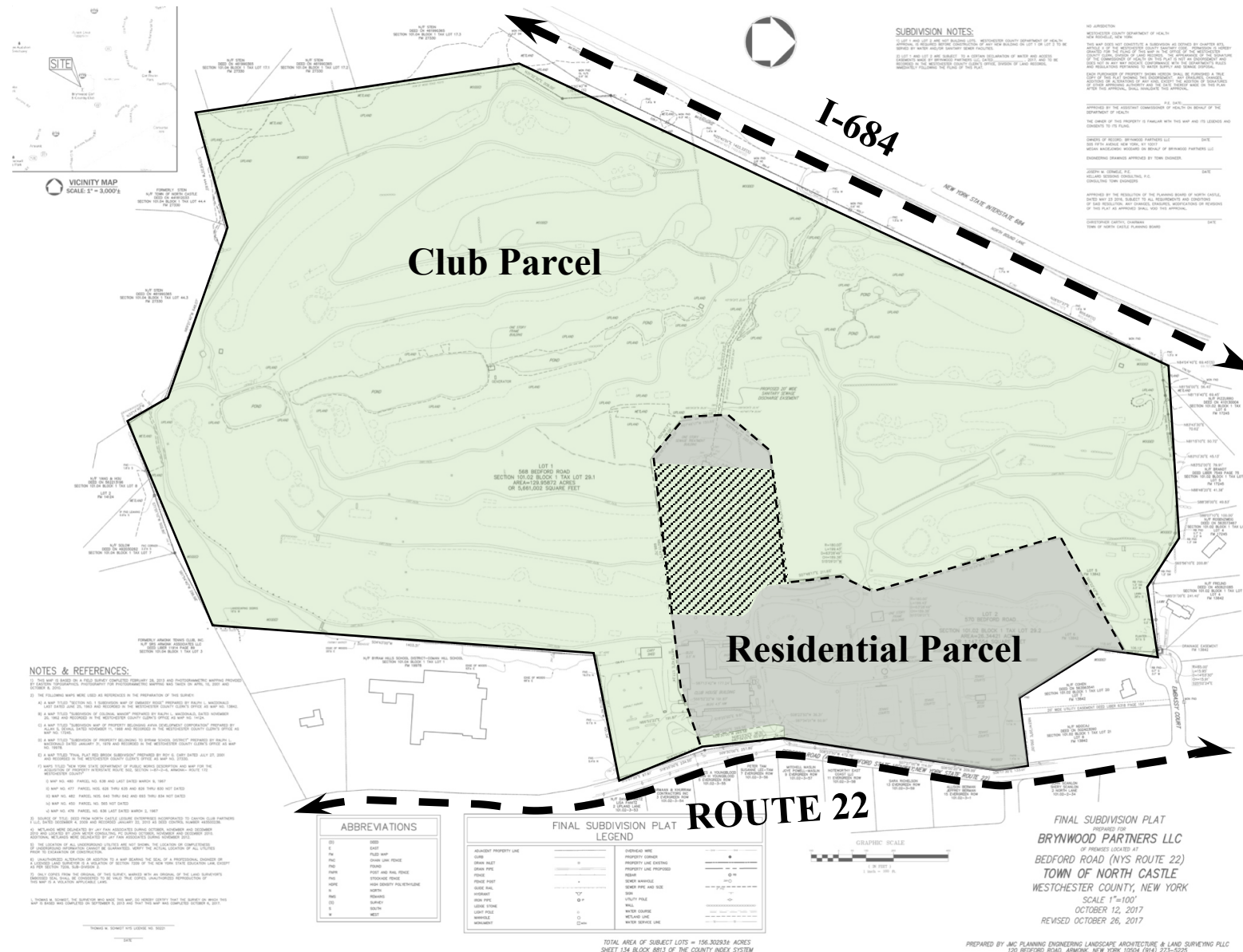


# **BRYNWOOD PETITION**

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February 27, 2019

# 568 Bedford Road



# Project Approvals History

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- **June 2015 - GCCFO District created and property re-zoned**
- **October 2015 - Community Benefits Agreement (“CBA”) entered into by Town and Brynwood**
- **April 2016 – Town Board extended Water District 2 to encompass Brynwood**
- **March 2016 – Planning Board approved Golf Course Site Plan, Steep Slope Permit, Wetlands Permit and Tree Removal Permit**
- **September 2017 – Planning Board approved subdivision of property into residential and golf parcels**
- **January 2018 – Town recorded Declaration by Brynwood that the lot on which the golf course is located can only be used as a golf course or related facilities, or as open space**

# Project Cannot Proceed Under Current Approvals

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- Brynwood has diligently endeavored to formulate a residential development program for the golf course community since the project was first approved in June 2015.
- Brynwood has been unable to move forward with residential design and construction due to marketability and financing issues primarily related to the fee simple ownership requirement
  - Project has been presented to 38 lenders and multiple real estate marketing firms and salespeople
  - Mismatch between the housing type (multifamily) and the required form of ownership in the GCCFO District (single family home ownership, rather than the more traditional condominium form of ownership for a multifamily residence) has created confusion for both lenders and real estate sales professionals, who believe the restriction will render the project non-competitive
  - Requirement for club membership fees coupled with fee simple taxes create carrying costs for residents that are multiples above alternate choices; these carrying costs are particularly problematic for the empty-nester that is the target demographic for the project
- Without the ability to develop the residential community, which will, in part, support the golf course component of the project, development of the golf course component is also infeasible, and thus the club has remained shuttered (and ownership has spent in excess of \$3 million over the last 3 seasons preserving the golf course and maintaining the property).

# Proposed Solution

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- Eliminate form of ownership requirement so that the Brynwood residences can be conveyed in any form of ownership that matches the housing product type.
- Phased Development Plan
  - **Phase 1:** Up to 36 residences, with no limitation regarding form of ownership
  - **Phase 2:** Up to 37 residences, with no limitation regarding form of ownership, would be “55 and older” age-restricted housing
  - **Price Threshold:** Provided that the aggregate average of the gross sales prices of the Phase 1 condominium units is \$700 per square foot or more, then the age restriction would automatically terminate without any further action from the Town.
  - **Concept:** Brynwood anticipates that Phase 1 condominium sales in excess of \$700 psf will yield economic benefits equal to or greater than those projected in the fee simple scenario analyzed in the FEIS. To ensure that public benefit is optimized, Phase 2 is secured with an age restriction in the event that the price threshold is not achieved.
- Agreement reflecting terms above would be entered into by Town and Brynwood and recorded in the Westchester County Clerk’s office; Brynwood would also agree that the terminable age restriction would be made an express condition of site plan approval

# Economic Benefits to Town

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- Brynwood commissioned BBG, Inc., a nationally recognized MAI appraiser who has also recently prepared a similar report for the St. Regis Residences in Rye, to provide a third-party market and tax analysis
- The report shows that the anticipated real property tax benefits of the Project to the Town would not be impaired by eliminating the form of ownership requirement, because the taxes that would be generated by the type and quality of the multifamily units that would be constructed by Brynwood would be roughly equivalent, or greater, than the projected taxes that were analyzed by the Town under SEQR in 2015
  - Residential tax revenues analyzed in the FEIS totaled **\$2,238,230**
  - In the BBG report, the anticipated taxes using the assessor's methodology for a 2BR unit would be \$37,694; for a 3 BR unit, taxes would be \$48,255. Assuming there are 64 2BR units and 9 3BR units, the total residential tax revenues would be **\$2,846,711**.
- The report also concludes that the likely sales price of the condominiums would be approximately \$2.6-\$3.3 million (\$950 psf), which would not be competitive to most single family homes in town, which sell for approximately \$1.2 million (\$350 psf) on average. New construction homes average approximately \$500 psf.

# Support for Projected Pricing & Tax Revenue

- Based on Brynwood's location, scale and proposed development plans, BBG developed a list of comparable projects from which to benchmark reasonable expected values at Brynwood
- The list of comparable projects, with adjustments to value based on time, location, amenities, age/resale, size, and utility, is below:

## Adjusted Grid

No	Building	Sale Price PSF	Time	Time Adjusted		Age/ Resale	Size	Utility	Total Adjustments	Adjusted Price PSF
				Sale Price	Location					
1	Christie Place (Resales from 2016-2017)	\$882	0%	\$882	0%	5%	5%	0%	5%	\$1,015
2	Ritz Carlton Residences (2016/17 Sales and Contracts)	\$922	0%	\$922	0%	0%	0%	0%	0%	\$922
3	The Residences at Ritz Carlton (2017/18 Resales and Contracts)	\$725	0%	\$725	0%	0%	5%	0%	-10%	\$689
4	Villa BXV (2017 Sales)	\$985	0%	\$985	0%	5%	0%	0%	5%	\$1,034
5	The Heathcote (Schedual A)	\$1,021	-10%	\$1,020	0%	5%	0%	0%	5%	\$1,071
6	Hudson Harbor - One Lighthouse Way	\$935	0%	\$935	5%	5%	0%	0%	-10%	\$935
7	125 Field Point Road (Asking and 5 Under Contract)	\$1,350	-10%	\$1,215	-25%	5%	0%	0%	-20%	\$972
8	St Regis Residence-120 Old Post Road (Asking)	\$1,300	-20%	\$1,040	0%	0%	0%	5%	5%	\$1,092
	<b>Minimum</b>	<b>\$725</b>								<b>\$689</b>
	<b>Maximum</b>	<b>\$1,350</b>								<b>\$1,092</b>
	<b>Average</b>	<b>\$1,015</b>								<b>\$966</b>

- The adjusted average price per square foot of the competitive set is \$966 PSF. Using the projects within this competitive set as a guide, and making the same adjustments to value, the appraiser assigned Brynwood's residences a value of \$950 PSF.
- The appraiser then determined a projected monthly rent per unit based on achieved rents of the projects within this competitive set. The monthly rent was then used to determine a rental value per unit and then projected tax revenue per unit based on 2018/10 school, county and town tax rates and the 2018 equalization rate provided by the assessor.

# Additional Benefits to the Town

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- **Acceleration of payments under CBA:**
  - **Windmill Farms:** Following the expiration of the statute of limitations for judicial review of the amendment, Brynwood would deposit \$190,000 with the Town in escrow to be used to fund actual costs of repair/restoration of the windmills and stone wall for Windmill Farms (previously this would have been part of the first installment due and payable upon issuance of first building permit)
  - **Second Installment:** The second installment of the contribution from the CBA (\$470,000) would be accelerated so that it is due and payable upon the closing of the sale of the 36<sup>th</sup> unit (currently it is due and payable at the closing of the 40<sup>th</sup> unit).
- **Acceleration of work commencement:** Rather than waiting for site plan approval or residential construction commencement, Brynwood would, upon effective date of the zoning change and subject to any other necessary Town, County or State approvals or permits:
  - Demolish the existing clubhouse at the property
  - Commence Water District 2 improvements



# Summary

	Approved	Proposed
Density	73 units	73 units
Form of Ownership	Fee simple	<i>Not restricted</i>
Community Benefits Agreement Contribution	\$1,050,000	\$1,050,000
First Installment Amount/Due Date	\$580,000/issuance of 1st building permit	<i>\$190,000/expiration of judicial challenge period to amendment; \$390,000/issuance of first building permit</i>
Second Installment Amount/Due Date	\$470,000/closing of 40th unit	\$470,000/closing of 36th unit
Accelerated work	N/A	Demolition of existing clubhouse; Water District 2 work
Perpetual Conservation Easement	Yes	Yes
Estimated Residential Tax Revenue	\$2,238,230	<i>\$2,846,711</i>