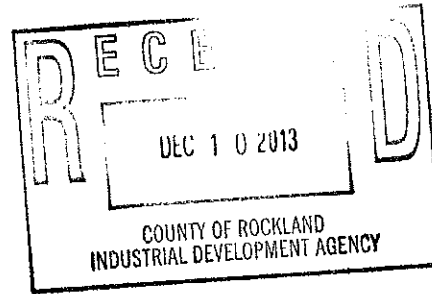




Planning  
Transportation  
Land Development  
Environmental

December 9, 2013

Mr. Eric Dranoff, Esq. Chairman  
Rockland County IDA  
Two Blue Hill Plaza, 3<sup>rd</sup> Floor  
Pearl River, NY 10965



RE: Orange Avenue Submission for Financial Assistance and Inducement Letter

Dear Chairman Dranoff and IDA Board Members:

The attached Rockland County IDA Application for Financial Assistance, including mortgage recording tax exemption, sales tax exemption, and PILOT agreement is submitted on behalf of Orange Avenue Associates, LLC, (the "Applicant") for the redevelopment of approximately 1.48 acres located between Orange Avenue and Chestnut Street (the "Site") in the Village of Suffern. The Site consists of vacant or underutilized properties and was the subject of a Designation Study by the Village which concluded that the Site was blighted consistent with the statutory requirements outlined in Article 15 of the New York State General Municipal Law. A copy of the Designation Study is provided herewith. It is noted that in the interim since the Designation Study was adopted, conditions have not improved and there has been no investment at the Site. The Village, after the adoption of the Designation Study, undertook and adopted an urban renewal plan which called for the redevelopment of essentially the same area currently being considered by the Applicant. Although the Urban Renewal Plan was not implemented, it did call for new zoning to accommodate a development comparable in scale and density as what is currently being proposed.

The Proposed Action calls for redevelopment of the site as a 91 unit (90 apartments and 1 superintendent's unit) multi-family residential community with 1 and 2 bedroom market rate rental apartments served by approximately 129 parking spaces. The potential redevelopment could accommodate a six story building which could be accessed from Chestnut Street and Orange Avenue. In order to allow for effective redevelopment of the property for the above identified use a new zoning designation is proposed TDD- Transit Development District which recognizes the Site's proximity to the Suffern train station and downtown environment. The TDD would replace the existing CB – Central Business at this location. A petition to rezone the property has been submitted to the Village and public hearings held on the proposed rezoning.

50 Main Street, Suite 360  
White Plains, New York 10606  
914.761.3582 | FAX 914.761.3759  
email: info@vhb.com  
www.vhb.com

As noted in our November 20, 2013 correspondence, the development is expected to attract single and married professionals, as well as empty nesters and “baby boomers” who are downsizing from larger single family homes and want to remain in the area to be near family and friends. The target market is attracted to social environments and downtowns and will tend to patronize local business and restaurants. The conceptual plan contemplates a development that is located within ±400 feet of the downtown Suffern commercial corridor (Lafayette Avenue). The proximity of these amenities means that the future development is in keeping with Smart Growth and Transit Oriented Development goals and policies, including:

- Fostering development in downtown and villages;
- Directing development towards communities with the existing infrastructure to support it;
- Foster distinctive, attractive communities with a strong sense of place;
- Create walkable neighborhoods; and,
- Take advantage of existing transportation infrastructure.

The entire downtown Suffern Shopping District, refer to **Exhibit 4**, along with other services and amenities, is located within a convenient walking distance from the Site, less than one-quarter mile. These uses include: services, such as barber, hair and nail salons, shoe repair, eye care, florists, and dry cleaners; retail uses such as hardware, general retail, consignment stores, clothing, jewelry and sporting goods; multiple restaurants and other food establishments; movie theatre; banks and professional offices; religious institutions, Village Hall, and Community Center. Each of the anticipated 91 households will spend a portion of its disposable income on goods and services within Suffern. This would provide a direct benefit to the downtown Suffern business community. An analysis of the extent of the anticipated economic benefit is provided below.

The Applicant contends that the rezoning allows for the redevelopment of currently underutilized or vacant properties that will enhance the downtown Suffern community by: creating additional housing where the infrastructure is there to support it; diversifying the housing stock through the creation of quality rental apartments; supporting the downtown commercial environment and the related disposable income targeted for downtown; creating temporary construction related employment associated with the new residential community; and, creating new full-time employment associated with serving the new development.

#### Job Generation

Based on the Applicant’s experience in the development and construction fields, the development is expected to generate 150 full-time construction jobs over a an approximately 24-month construction period. According to the Bureau of Labor Statistics, construction laborers in New York State earned an annual mean wage of \$49,350 as of May 2012.<sup>1</sup> In addition, the development is expected to generate five new full-time jobs associated with the new development, from management to staff, with an annual mean wage of \$55,000.

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<sup>1</sup> Bureau of Labor Statistics, Occupational Employment and Wages, May 2012: 47-2061 Construction Laborers. <http://www.bls.gov/oes/current/oes472061.htm>.

**Table 1** shows that the development would generate approximately \$7.4 million in wages for temporary employment and approximately \$330,000 annually in full-time wages for permanent employment for the life of the development. This income presents a direct economic benefit to the Village of Suffern.

**Table 1: Job Generation**

Job Type	Number of Jobs (est.)	Annual Mean Wage	Cumulative Annual Mean Wage
Temporary Jobs	150	\$49,350	\$7,402,500
Permanent Jobs	5	\$55,000	\$275,000

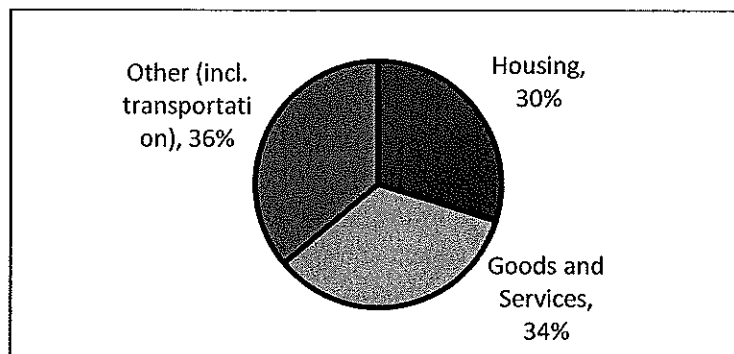
Resident Spending

The proposed residential development will contribute to the local economy through the purchasing power of its residents. This analysis assesses the anticipated economic impact of resident spending by calculating the expected purchasing power of the proposed 91 new households associated with the proposed development.

As shown in **Table 2**, households in the New York-Northern New Jersey area can be expected to spend approximately 34 percent of pretax household income on goods and services, according to the 2010-2011 Consumer Expenditure Survey published by the U.S. Bureau of Labor Statistics. The same survey shows that households in the New York-Northern New Jersey area spend approximately 30 percent of pretax household income on housing.

**Table 2: Typical Breakdown of Spending of Pretax Income**

Category	New York-Northern New Jersey	
	Value	Percent
Housing	\$23,154	30%
Goods and Services	\$26,654	34%
Other (incl. Transportation)	\$28,078	36%
Income before taxes	\$77,886	100%



<sup>1</sup> Source: U.S. Bureau of Labor Statistics, 2010-2011 Consumer Expenditure Survey for the New York-Northern New Jersey Area.

Expected rents were provided by the Applicant and are presented in **Table 3**. Based on projected rents of \$2,000 for a one-bedroom unit and \$2,300 for a two-bedroom unit, a prospective household would have an income of between \$80,000 and \$92,000. Using the midpoint of the overall range, it is expected that that households that will occupy the proposed development would have an average annual income of approximately \$85,000.

**Table 3** below summarizes expected monthly rent for each unit type, the total number of units, expected cumulative and average incomes. Since it is unlikely that the development would have an occupancy rate of 100 percent at any given point in time, a more realistic scenario of 95 percent occupancy is presented for the expected cumulative income amount.

**Table 3: Expected Pretax Income of the Development**

Unit Type	No. Units	Expected Monthly Rent	Rent as % of Pretax Income <sup>1</sup>	Expected Pretax Income
1-BR	48	\$2,000	30%	\$80,000
2-BR	43	\$2,300	30%	\$92,000
Total	91	\$194,900	30%	\$7,796,000
Expected Pretax Income of the Development at 95% Occupancy <sup>2</sup> :				\$7,406,200
Expected Average Income Per Household:				\$85,622

<sup>1</sup> Note: Assuming rent is 30 percent of income. Source: U.S. Bureau of Labor Statistics, 2010-2011 Consumer Expenditure Survey for the New York-Northern New Jersey Area.

<sup>2</sup> Note: Assuming a realistic occupancy of 95 percent of units at any given point in time.

**Table 4: Expected Purchasing Power**

	Expected Pretax Income of the Development	% Spent on Goods and Services	Expected Purchasing Power
At 95% Occupancy	\$7,406,200	34%	\$2,518,108

<sup>1</sup> Note: Assuming purchasing power is 34 percent of income. Source: U.S. Bureau of Labor Statistics, 2010-2011 Consumer Expenditure Survey for the New York-Northern New Jersey Area.

Based on information from the U.S. Bureau of Labor Statistics' Consumer Expenditure Survey, households in areas such as Suffern can typically be expected to spend approximately 34 percent of their incomes on goods and services that might be purchased locally, such as food, apparel, entertainment, automobile fuel and maintenance, and personal services. Therefore, it can be estimated that the residents of the 91 units, at 95 percent occupancy, would inject roughly \$2.5 million into the local and regional economy each year, as shown in **Table 4**.

It is not expected that the entirety of these households' expenditures will be made at the shops on Lafayette Avenue, or even within the Village of Suffern. However, the site is located one block away from the commercial corridor—well within walking distance. Secondly, the Lafayette Avenue commercial corridor consists of neighborhood-scale shops such as restaurants, retail, and personal service providers that would serve a household's daily needs. Thirdly, the site is a transit-oriented development (TOD) located approximately 500 feet from the Suffern Train Station. As a general planning guideline, residents of a TOD would be less

likely to rely on automobiles for daily activities than a conventional suburban household, and, as a result, could reasonably be expected to make more purchases within the walkable local area. Lastly, the unit types of 1-bedroom, and 2-bedroom apartments tend to target smaller households such as young professionals and empty nesters. As discussed in earlier sections, such households are more likely to spend on dining out, entertainment, and other activities available on Lafayette Avenue.

In summary, the Proposed Action calls for the elimination of a blighting influence on downtown Suffern by the creation of a new residential community. This new community would complement the land use pattern in downtown, put currently vacant or underutilized properties back into the stream of commerce and provide downtown merchants with a new patron base. The Applicant has explored the traditional financing vehicles related to this type of redevelopment and there are no apparent potential alternatives to Agency assistance. It is contemplated by the Applicant that, but for the assistance of the Agency, the Applicant would not be able to proceed with this project.

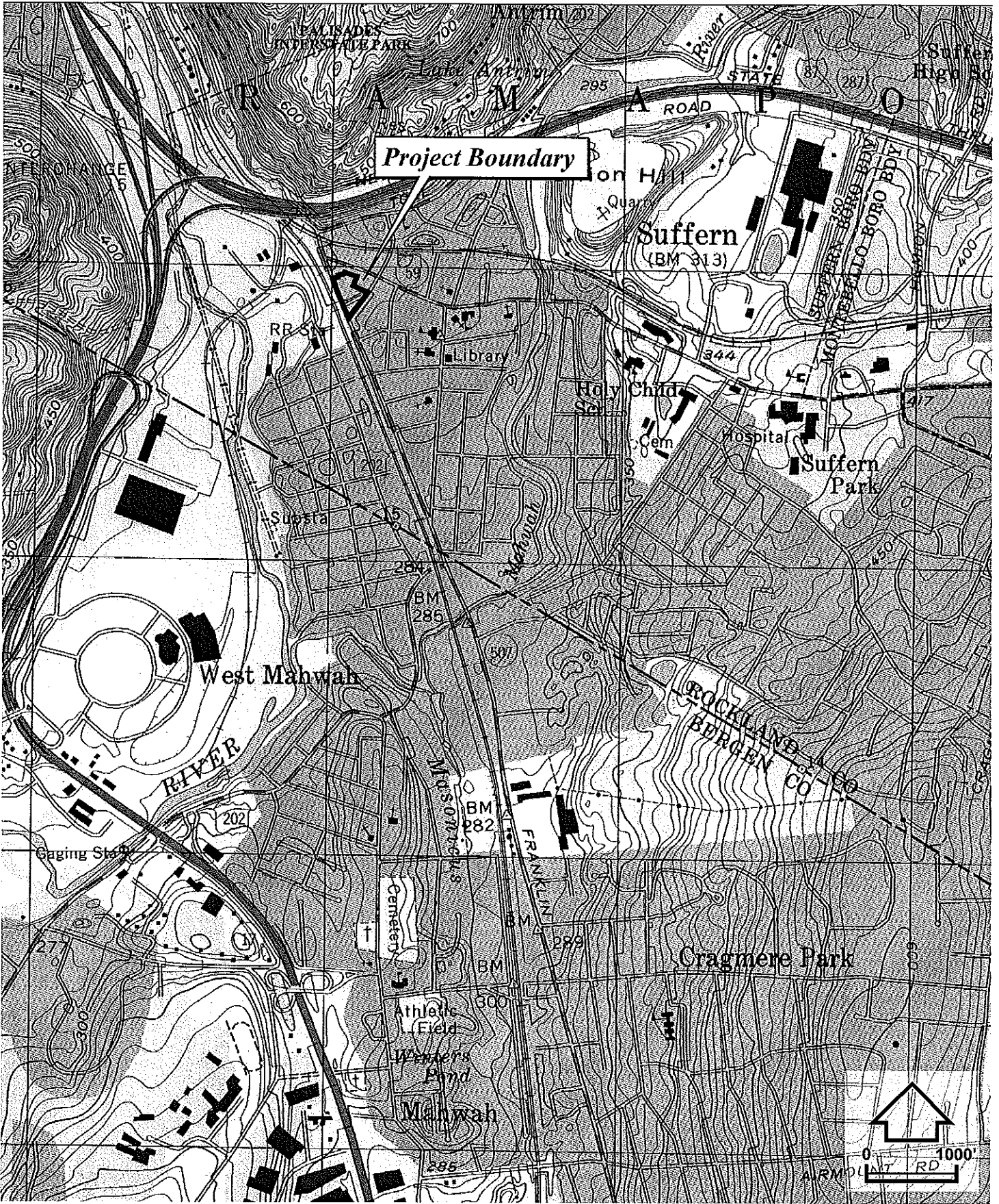
Should you have any questions on the above or attached please feel free to call me directly at (914) 467-6608 or email me at [davidsmith@vhb.com](mailto:davidsmith@vhb.com).

Kind regards,



David B. Smith  
Sr. Development Advisor  
VHB Engineering, Surveying and Landscape Architecture, PC

Cc: Joshua Goldstein, Orange Avenue Associates, LLC



Source: USGS - Ramsy, NJ-NY Quadrangle

**Orange Avenue Redevelopment Plan**

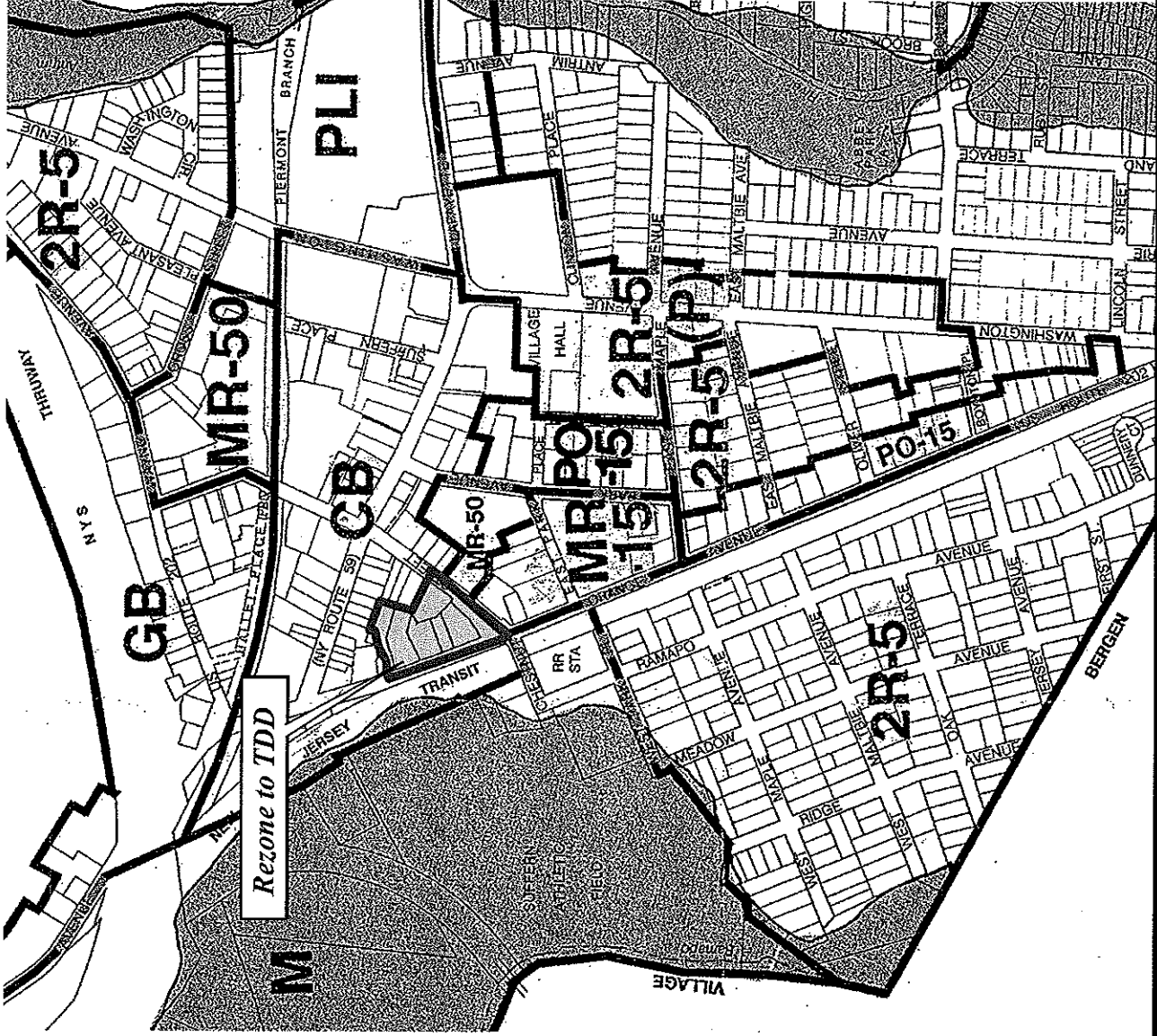
Village of Suffern, New York

**VHB** Engineering, Surveying and Landscape Architecture, P.C.

**Project Area Boundary**

Exhibit

**1**



**ZONING DISTRICTS**

**RESIDENTIAL DISTRICTS**

- R-15 One-Family Residence
- R-10 One-Family Residence
- R-7.5 One-Family Residence
- R-5 One-Family Residence
- 2R-5 Two-Family Residence
- 2R-5(P) Two-Family Residence
- MR-15 Multi-Family Residence
- MR-50 Multi-Family Residence
- TDD Transit Development District

**NONRESIDENTIAL DISTRICTS**

- PO-40 Professional Office
- PO-15 Professional Office
- CB Central Business
- GB General Business
- M Manufacturing

**OVERLAY DISTRICTS**

- Flood Plain District

**DRAFT**

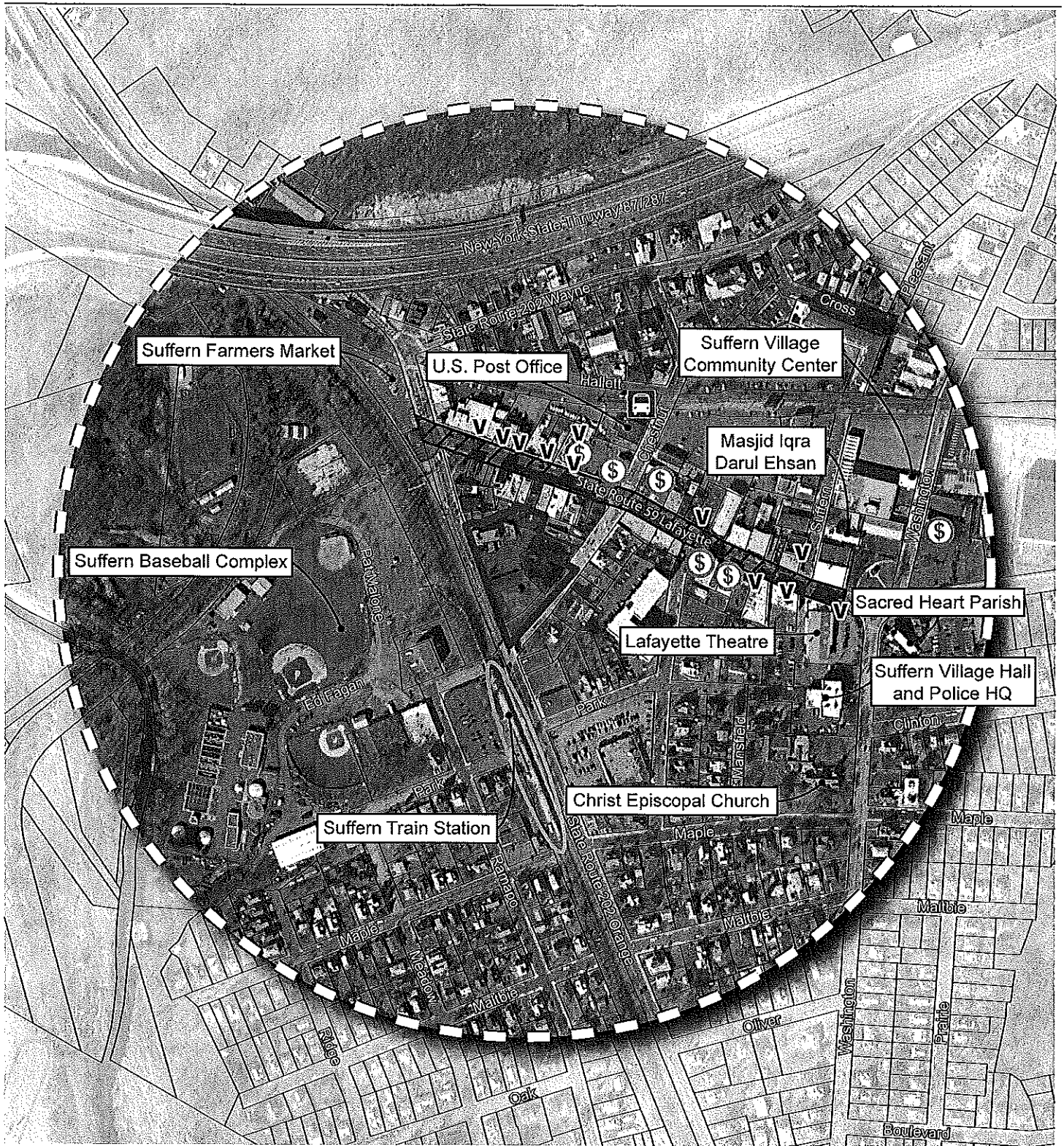
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
**Orange Avenue Redevelopment Plan**  
 Village of Suffern, New York




**YHB** Engineering, Surveying and Landscape Architecture, P.C.

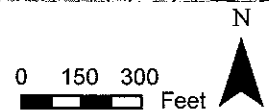
**Proposed Rezoning**

Exhibit  
**2**



-  Area Proposed to be Rezoned to TDD
-  Downtown Suffern Shopping Corridor
-  1/4 Mile Radius (approximate)

-  Bank
-  Bus Stop
-  Vacant Storefront/lot



Source: Rockland County GIS