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September 19, 2022

VIA EMAIL AND OVERNIGHT DELIVERY

Jacobowitz and Gubitz, LLP
158 Orange Avenue
Walden, New York 12586

Re: Educational Impact of Tuxedo Farms Project

Attn: Larry Wolinsky, Esq.

Dear Mr. Wolinsky:

As a follow-up to a recent meeting at which the global implications of the effects of the Tuxedo Farms Development were explored with you and Town of Tuxedo executives, please find attached documentation regarding future cost factors that will be faced by the Tuxedo Union Free School District regarding the roll-out of the development of Tuxedo Farms.

- 1. Costs Attendant to Serving 377 New Students.** The data attached to this letter as Appendix A¹ includes [1] Information regarding the added enrollment of students, with attendant annual costs based upon projected additional teachers' salaries with benefits (\$960,000.00) to service an additional 343 students to be educated in-District and [2] the placement of 18 special education students at a cost of \$100,000.00 per student (\$1,800,000 annually). The additional hirings of faulty members are projected at eight (8) regular education teachers and two (2) special education teachers.²

¹ Appendices A & B includes construction related cost estimates prepared by Thomas Ritzenthaler, AIA, from the Architectural Firm CSARCH

² The School District's programing consultant is Steve Kussin, PhD who is a highly regarded expert in New York State as regards educational programs and scheduling and author of "How To Build the Master Schedule in 10 Easy Steps".

2. **Constructing a New Elementary School.** The cost of constructing a new elementary school to relieve inadequate space in the current elementary school building, given the projection that 70% of the new students to be arriving via the Tuxedo Farms development over the next five years would yield an annual additional expense of \$2,613,500.00 in debt service costs of bonding that would be subject to voter approval. The educational impact of Tuxedo Farms will first and foremost fall upon the elementary school grades. There are fourteen (14) classrooms in the current elementary building and at least seven (7) more will be needed as a result of the increased elementary student population. *The construction related cost estimates are based upon property that does not require clearing and excavation, etc., as displayed in Appendix A. Appendix B, also attached hereto, adds the cost of clearing excavation, etc.*
3. **Fields.** The District will be in desperate need of additional fields facilities based upon the increased enrollments of elementary and secondary students. With suitable lands for the use in developing new fields, the estimated annual debt service cost of preparing the same for use would be \$527,650.00. *This cost estimate is based upon property that does not require clearing and excavation.*
4. **Transportation Costs.** The transportation requirements based upon the increased student enrollment attributable to Tuxedo Farms would require two (2) new buses (\$135,402.00) and four (4) vans (\$259,000.00).³
5. **Operations Costs.** The Tuxedo Farms development will also require additional annual expenditures for a cleaner, a nurse, a landscaper, additional utilities costs and specials area instructional costs, totaling \$313,742.00.

Total Estimated Additional Annual Costs: \$6,849,494.00

REVENUE PROJECTIONS

Appendices A & B include details of the Revenues that would be available as a result of the Tuxedo Farms development:

1. **Transportation Aid.** The Tuxedo UFSD gets reimbursed at the rate of 6.5% of its transportation costs. Accordingly, of the \$359,000.00 annual additional expenses, only \$25,649.13 would be offset by additional state transportation aid.
2. **No Additional State Aid:** The state aid status of the District is such that the additional students would not generate additional state aid. There would be no special education or Foundation aid supplements. The total additional state aid attributable to the development of Tuxedo Farms is solely the Transportation Aid referenced above.⁴
3. **Tax Levy Implications.** The Developer's assumption regarding the future equalization rates is based upon a dated equalization rate that when applied to the market value of the property assumed in the Technical Report generated by AKRF would yield \$9,266,797.10 in annual

³ The transportation cost estimates were prepared by Louis Boffardi of Transportation Advisory Services

⁴ The District's state aid statistics may be confirmed with the Questar III BOCES state aid specialist Mike Los

property taxes. The District, using that market valuation from the Developer's Technical Report, as prepared by AKRF, estimates that a more current equalization rate (e.g. .12) would generate \$8,194,605.70, or \$1,072,191.40 less in annual revenues. The assumption that the market valuation relied upon by the Developer, generated by AKRF in its Technical Memo dated June 9, 2022 at page 9, is accurate has not, to the School District's knowledge, been verified by any other source, including a market valuation by the assessor for the Town of Tuxedo. Such verification should be part of the proceedings of the Town in considering the educational impact/tax payer impact of the proposed project.

Revenue + State Aid: The Revenues plus State Aid calculation, based upon the School District's assumptions as described above, would result in an additional amount of monies received by the District annually of \$1,370,760.83. (See Appendix A) This is assuming that it had land cleared and prepped for building and fields which is not the case regarding the 40+ acres that the Developer is to convey to the District under the current Special Use Permit. **The projected net revenue/state aid increase attributable to the Tuxedo Farms development is currently unattainable based upon the land to be convey under the proposed Special Permit and would, instead, will result in a net annual deficit in funding in the amount of \$1,286,614.17. (The additional costs of massive preparation of the 40+ acre site for building and fields estimated at \$2,657,375 ,00 minus the additional annual revenues and state aid set for above of \$1,370,760.83, results in the net annual deficit of \$1,286,614.17. (See Appendix B)**

A RIGHT SOLUTION

The Board of Education of the Tuxedo Union Free School District supports this Development, but only if it is not at the expense of the tax payers and the students of the District. A true partnership between the Developer, the Town, the School District, the students and the taxpayers cries out for a solution whereby the land available to the School District for buildings and fields is other than the 40+ acres referenced in the Special Permit application now to be acted upon by the Town. Other lands from the Developer or from lands of the Town could provide the means to have a development that is fiscally sound, with school buildings, facilities and staffing that will support what the school district trustees and administration envision to be a vital and improving school district.

Thank you for your attention to this matter.

Very truly yours,

SHAW, PERELSON, MAY & LAMBERT, LLP

BY: 

DAVID S. SHAW, ESQ.

DSS/jm

Encl.

cc: Board of Education Members
Mr. Jeffrey White, Superintendent of Schools

Appendix A

Impact of additional students and assessments Tuxedo UFSD
Staff cost includes benefits

w property that does not require clearing etc.

Kids 359

Special Ed 18
outside

Regular Ed Teachers 8 teachers
Once completed
\$ 960,000.00

two special ed teachers
15% classified \$ 240,000.00

Outside placements for special ed
18 at 100K \$ 1,800,000.00

Debt Service costs annual
annual
Elementary School new \$ 2,613,500.00

Fields \$ 527,650.00

Transportation costs
67701 per bus \$ 135,402.00
2 new buses

vans for special ed and private
4 vans \$ 259,200.00
64800

Operations cost

1 cleaner	\$	65,000.00
1 nurse	\$	95,000.00
landscaper	\$	75,000.00
utilities	\$	38,742.00
Specials	\$	40,000.00
Total addl expenses	\$	6,849,494.00

Revenues

State aid

Special ed trans and building

Trans aid	\$	25,649.13
6.50%		

Addl state aid	\$	25,649.13
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no special ed or Foundation aid
generated

Levy assumption

\$121 million	\$	9,266,797.10
based on their market value and current Equalization rate		
76.585 tax rate per 1000		

\$107 million	\$	8,194,605.70
based on their market value and Eq rate of .12		

Revenue with state aid **\$ 8,220,254.83**
and \$107 million of taxable value
Revenue only available if the taxcap is pierced

Net impact **\$ 1,370,760.83**

Appendix B

w more difficult land to develop
 Impact of additional students and assessments Tuxedo UFSD
 Staff cost includes benefits

w property that requires massive earth moving

Kids 359

Special Ed 18
 outside

	Once completed
Regular Ed Teachers	\$ 960,000.00
8 teachers	

two special ed teachers	\$ 240,000.00
15% classified	

Outside placements for special ed	\$ 1,800,000.00
18 at 100K	

Debt Service costs	annual
annual	
Elementary School	new \$ 2,613,500.00

Fields	\$ 527,650.00
Addl cost for demo of land	\$ 2,657,375.00

Transportation costs	
67701 per bus	\$ 135,402.00
2 new buses	

vans for special ed and private	
4 vans	\$ 259,200.00
64800	

Operations cost

1 cleaner	\$	65,000.00
1 nurse	\$	95,000.00
landscaper	\$	75,000.00
utilities	\$	38,742.00
Specials	\$	40,000.00
Total addl expenses	\$	9,506,869.00

Revenues

State aid

Special ed trans and building

Trans aid	\$	25,649.13
6.50%		

Addl state aid	\$	25,649.13
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no special ed or Foundation aid
generated

Levy assumption

\$121 million	\$	9,266,797.10
based on their market value and current Equalization rate		
76.585 tax rate per 1000		

\$107 million	\$	8,194,605.70
based on their market value and Eq rate of .12		

Revenue with state aid and \$107 million of taxable value Revenue only available if the taxcap is pierced	\$	8,220,254.83
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Net impact	\$	(1,286,614.17)
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