

FINANCIAL IMPACTS

The following is a description of the financial impact that the project will have on the communities of (i) the Village of Victory; (ii) the Village of Schuylerville; & (iii) the Town of Saratoga.

State Environmental Quality Review Negative Declaration

Enclosed is a State Environmental Quality Review (“SEQR”) Negative Declaration that was issued by the Planning Board of the Village of Victory on May 19, 2009, together with supporting documentation. A “Negative Declaration” is a statement that there are no negative aspects to the project, that it will not harm the community in any way, and that it should be approved.

The SEQR Study offered a comprehensive assessment of how the project might impact all localities. Before issuing the Negative Declaration, the Village of Victory Planning Board retained the services of a professional engineer and a land use attorney to review all the pertinent material.

Among the issues studied by the Planning Board was traffic. The developers commissioned a traffic study which is annexed hereto. The profile showed that 1,500 or fewer cars passed Gates Avenue at peak times. There is no

indication of any congestion along it or any other of the local arterials. The project would add less than 100 cars to Gates Avenue at peak. Accordingly, a negative declaration was issued stating that “the impact is not considered significant or adverse.” (See, Negative Declaration, page 4, paragraph 7, May 19, 2009).

Another key issue that was analyzed by the developers was the issue of sewage and wastewater disposal. In the interest of brevity, we have decided not to include the entire sewage study with this report. However, we have included the sewage study conclusions which found that the project will add a net wastewater flow of 19,500 gallons per day. Both Huskie Engineering and the LA Group concluded that the Schuylerville plant had more than enough capacity to accommodate the project. Accordingly, the Resolution Approving the Victory Mills Site Plan concluded that “[t]here exists an adequate water supply and sewage disposal facilities to handle the project when it is completely built and occupied.” (Village of Victory, Planning Board Resolution Approving the Victory Mills Site Plan, May 19, 2010, page 2, paragraph 5.)

The developers further analyzed the issue of storm water management and erosion protection. The Storm Water Protection Plan is annexed hereto. This too was reviewed and approved by the Victory Planning Board. (Village

of Victory, Planning Board Resolution Approving the Victory Mills Site Plan, May 19, 2010, page 2, paragraph 4.)

The developers looked at the issue of the added burden on the public school district. It is first important to understand the unique place a project like this takes in a community. Families with school age rarely choose to live in rental loft buildings such as Victory Mills. Annexed is a statement from the Director of Economic Planning for the City of Cohoes confirming that the Harmony Mills loft development in Cohoes, New York did not add a single child to the public school district in the first six years of its existence.

However, even if we assume a typical analysis for the distribution of children inside the Victory Mills, we arrive at a similar conclusion. The Department of Housing and Urban Development issued a report relying upon the American Housing Survey showing that forty-three percent (43%) of all renting households have children. The Victory Mills will only add 95 bedrooms over the 98 bedrooms used by the adult tenant renting the apartment. If we take forty-three percent (43%) of those excess bedrooms we arrive at a projected number of forty-one (41) children. The Schuylerville School district has 1,957 children. Even if every one of the forty-one (41) children is public school age, and even if every one of those children go to public school – both exceedingly questionable assumptions – it would only increase the number of children in the district by two percent (2%). Assuming an even

distribution across the thirteen grades of K-12, that would only add about three children per grade. This increase is di minimus and unlikely to add any appreciable expense to the District. We stress once again that the pattern in other loft developments is that they add few if any children to their local public school districts and so we expect the Victory Mills project to add far fewer children to the District.

Finally, the developers studied the issues of any added burden to Police, Fire and EMS Protection. The Village of Victory Planning Board concluded that “[t]he demand for public services, such as police or EMS or highway improvements, that will come with the project will not have a significant adverse impact.” (See, Negative Declaration, page 6, paragraph 19, May 19, 2009). The Victory Mills serves a high demographic, and will have a full sprinkler system.

IMPACT AND COST TO COMMUNITY IF PROJECT FAILS TO MEET EXPECTATIONS

It can safely be stated that the failure of the project will have little or no effect on the surrounding community. This is because the building is already in ruins. Put bluntly, it would be impossible for the community to have an outcome worse than the one it already has. The building is empty and has been for years. If the owners cease to pay the property taxes, it will presumably be left abandoned and then it is only a matter of time before it either burns down or collapses due to water penetration and structural degradation.

Projects usually fail for one of two reasons: (i) construction cost overruns; or (ii) failure to lease for the projected monthly rents.

Neither of these scenarios will leave the community in a worse situation. If either of the above scenarios occurs, the bank will foreclose. If that happens, then the developer may or may not lose his ownership stake in the property. However, the bank will not simply write off its loan and abandon the property. A workout might be entered into that permits the developer to retain his ownership stake in the property. Alternatively, the bank will market the property, and a new developer will be brought in to complete the project. Either way, the development will go forward and the community will receive the building renovated, and back on the tax rolls.

One thing can be stated with certainty: **under no circumstances will the property be developed as affordable housing.** In order to develop a property as affordable housing, it would be necessary to syndicate the sale of low-income affordable tax credits. By law, those tax credits must be sold prior to the commencement of construction. Once construction commences as a market project, it cannot be changed in the middle to allow for affordable housing. Moreover, an affordable project can only move forward if it is financed with low-income, tax-free municipal bonds. Those bonds can only be obtained with the approval of the local Industrial Development Agency. As such approval was never sought for the Victory Mills, it would be impossible to finance the project for affordable housing.

BENEFITS TO THE COMMUNITY

The project will yield numerous benefits to the community. They include the following:

1. Elimination of Urban Blight. Should the building burn down, as most vacant brick & timber mill buildings eventually do, then the owner will almost certainly abandon the property. If that happens then the Town will be required to seek Federal Brownfield money to demolish and remove the remaining debris and remediate whatever environmental contaminants are left behind.
2. Preservation of Historical Heritage. The restoration of the Mills will allow an important part of the community's history to find new life.
3. Job Creation. The restoration of the Mills will create approximately 110 construction jobs and another nineteen permanent jobs. The construction jobs are all the more vital as the Global Foundry project winds down.
4. Pre-School/Daycare. The project promises to bring quality daycare to the community. Such daycare does not currently exist in the entire surrounding area.
5. Tax Base. The project will add to the local tax base. The building currently pays only \$15,000 in annual property taxes. If the building is abandoned, the landlord will stop paying even those taxes and the building will become a burden on the local community. Ultimately, the renovated structure will probably pay in excess of \$200,000/year. It will

pay even more if the building is converted from a rental property to a condominium. Even \$200,000/year would constitute a significant increase in the local tax base. The converted building will draw practically nothing from local resources such as the school district, as well as fire, police & EMS protection. Thus, this tax revenue will go straight to the bottom line. The added burden on the local water and sewer systems will be separately metered and paid for by the tenants.

6. Mortgage Recording Tax. The community will see an immediate benefit in the form of the \$250,000 mortgage recording tax. Under New York law, the bulk of that tax revenue will go to the Town of Saratoga.
7. Schuylerville Shopping District. The project will add 98 wealthy families to the area. That should increase the population of the Village by approximately forty percent (40%). These people will want to shop nearby in Schuylerville. Local businesses should see an immediate increase in activity. Downtown businesses across Upstate New York are struggling to attract shoppers away from the malls. Small businesses closing their doors account for a large amount of the urban blight across the state. The project will keep downtown Schuylerville vibrant for years to come.

DISSOLUTION OF THE VILLAGE OF VICTORY

We have reviewed the potential dissolution of the Village of Victory and do not believe that it will impact on the project, or that the project will impact upon it.

**STATE ENVIRONMENTAL QUALITY REVIEW NEGATIVE DECLARATION
VILLAGE OF VICTORY PLANNING BOARD**

Village of Victory Planning Board
State Environmental Quality Review
NEGATIVE DECLARATION
Notice of Determination of Non-Significance

Date: May 19, 2009

This notice is issued pursuant to the State Environmental Quality Review Act, Article 8 of the NYS Environmental Conservation Law and its implementing regulations at Part 617 of the New York State Code of Rules and Regulations (collectively referred to as "SEQRA").

The Village of Victory Planning Board, as the lead agency under SEQRA, has determined that the proposed action described below will not have a significant adverse environmental impact and a draft environmental impact statement will not be prepared.

Re: Victory Mills

Located at: 42 Gates Avenue\ Village of Victory \ Saratoga County, NY

Name of Action: Victory Mills

SEQRA Status: Unlisted

Description of Action: Redevelopment of existing mill facility and surrounding parcel into a multi-family mixed use facility.

SEQRA Procedural Background:

The Village of Victory Planning Board identified the project as an Unlisted action under SEQRA based on its review of the thresholds set forth in 6 NYCRR §617.4 and §617.5. As required by SEQRA, the Planning Board expressed its intent to be the lead agency for this action and conducted a coordinated review with all known involved and interested agencies. None of those agencies objected to the Planning Board acting as the SEQRA lead agency. As a result, the Village of Victory Planning Board designated itself as the SEQRA lead agency.

To assist in the review of this application, the Planning Board retained the services of a professional engineer and a land use attorney. The Board considered a variety of written submissions, comments and recommendations from these consultants.

The Board members are also aware of the surrounding public roads, neighborhoods and publicly accessible areas.

The Planning Board held nine meetings over a nine month period to discuss the site plan application and any potential environmental impacts. The Board considered comments from the public. The Board also considered decisions and comments from other federal, state and local regulatory agencies.

The Planning Board also reviewed Part 1 of the full EAF and completed Parts 2 and 3 of the EAF as required by SEQRA. As part of this process, the Board also considered all the information in the record.

Reasons Supporting this Determination:

The SEQRA regulations provide that “[f]or all Unlisted ... actions the lead agency making a determination of significance must: (1) consider the action as defined [under SEQRA]; (2) review the EAF, the criteria contained in subdivision (c) of this section and any other supporting information to identify the relevant areas of environmental concern; (3) thoroughly analyze the identified relevant areas of environmental concern to determine if the action may have a significant adverse impact on the environment; (4) set forth its determination of significance in a written form containing a reasoned elaboration and providing reference to any supporting documentation.” 6 NYCRR §617.7(b).

The SEQRA regulations further provide that “to determine whether a proposed Unlisted action may have a significant adverse impact on the environment, the impacts that may be reasonably expected to result from the proposed action must be compared against the criteria in this subdivision [6 NYCRR 617.7].” 6 NYCRR § 617.7(c). Each criterion is discussed in more detail below.

For the reasons discussed below, the Planning Board concludes that the Victory Mills redevelopment will not have any significant adverse environmental impacts.

1) Agricultural Resources

The proposed Victory Mills redevelopment will not have any significant adverse impact on agricultural resources. The project involves the redevelopment of an abandoned mill and will result in a net increase in permeable surface. This project does not involve conversion of farm land or use of Prime Soils, or Other Soils of Statewide Significance. Based on the foregoing, no substantial change in the use of farm land or intensity of use of farm land is expected from the proposed Victory Mills redevelopment. As a result, the proposed redevelopment will not create any significant adverse impacts to agricultural resources.

2) Aesthetics

The proposed Victory Mills redevelopment will not have any significant adverse impact on important aesthetic resources. The potential aesthetic impacts from the Victory Mills redevelopment have been reviewed and the project in its final form will be essentially unchanged except for the improvements that will be incorporated into a functioning multiuse structure. Based on the foregoing, the proposed Victory Mills redevelopment will not have any significant adverse visual or aesthetic impacts.

3) Noise

The proposed Victory Mills redevelopment will not result in any significant adverse noise impacts. The activities that are proposed are all consistent with the zoning regulations and compatible with the existing activities in the area. For the reasons set forth above, the proposed Victory Mills redevelopment will not result in any significant adverse noise impacts.

4) Stormwater

The proposed Victory Mills redevelopment will not have any significant adverse impacts related to erosion, flooding or drainage problems from stormwater run-off. To manage potential stormwater impacts during and after construction, the applicant developed a detailed Grading and Erosion Control plans. Impacts from stormwater runoff will be avoided through the proper design and implementation of and stormwater control measures, no significant adverse impacts are expected.

5) Wetlands, Streams and Other Water Bodies

The proposed Victory Mills redevelopment will not result in any significant adverse impacts to wetlands, streams or other bodies of water. Permeable surfaces around the existing mill structure will be increased by the implementation of grading and storm water measures. For the reasons set forth above, the proposed Victory Mills redevelopment will not create any significant adverse impact to wetlands, streams or other water bodies.

6) Archaeological and Historic Resources

The proposed Victory Mills redevelopment will not create any significant adverse impacts to archeological or historical resources. The Mill structure has recently been placed on the New York State Register of Historic Places. This designation was sought by the applicant. The redevelopment of the mill will maintain the exterior of the structure essentially unchanged, thereby preserving it. The State Historic Preservation Offices provided no substantive comment when it was notified about the proposed Victory Mills redevelopment. Based on the foregoing, the proposed Victory Mills redevelopment will not create any significant adverse impacts to archeological or historical resources.

7) Traffic

The proposed Victory Mills redevelopment will not create any significant adverse traffic impacts. The redevelopment will not generate or induce potentially significant traffic impacts beyond the capacity of the existing road infrastructure and road networks as determined by the projects traffic engineers and review by the Board's consulting engineer. As a result, the impact is not considered significant or adverse.

8) Community Character

The proposed Victory Mills redevelopment will not create any significant adverse impacts on community character. With the potential to increase the population by over 40% the community character will be impacted. There is no evidence, however, that the impact will be adverse. The current residents of the Village are supporting a significant amount of community infrastructure, including the village offices, and other municipal staff and equipment. While the increased population will increase the demand for these services given the compact nature of the development the increased demand is expected to be offset by an even greater increase in revenue to the Village. For the reasons set forth above, the proposed Victory Mills redevelopment will not create any significant adverse impacts to community character.

9) Wildlife

The proposed Victory Mills redevelopment will not create any significant adverse impacts on wildlife; due to the fact that the site is a redevelopment of an abandoned mill where there is little wildlife to be impacted.

10) Public Safety

The proposed Victory Mills redevelopment will not create any significant adverse impacts on Public Safety. Access to the structure for emergency equipment has been carefully reviewed and all issues raised by the areas' emergency service personnel have been addressed. Based on the foregoing reasons, the proposed Victory Mills redevelopment will not create any significant adverse impact to public safety.

11) Air Quality

Potential adverse air quality impacts are not anticipated from the proposed Victory Mills redevelopment. Based on the foregoing, the proposed Victory Mills redevelopment will not have any significant adverse impacts on air quality in the area or the region.

12) Wild, Scenic and Recreational Rivers

There are no nationally or State designated wild, scenic or recreational rivers on or near the Victory Mills redevelopment. As a result, there will be no significant adverse impacts to these resources from the Victory Mills redevelopment.

13) Ground Water

No significant adverse impacts to groundwater quality will occur from the proposed Victory Mills redevelopment. The project will require large volume of water supply and waste water treatment. It has been determined there currently exists adequate capacity to handle both without creating any significant adverse impacts on groundwater quality or quantity.

14) Loss of Soil, Vegetation and Other Natural Material

The proposed Victory Mills redevelopment will not result in any significant adverse impacts to natural resources or result in any significant loss of soil, vegetation or other natural material.

15) Solid Waste Production

The proposed Victory Mills redevelopment will not result in any significant adverse impacts due to solid waste production.

16) Flood Plains

The proposed Victory Mills redevelopment will not have any significant adverse impacts on flood plains in the Village. The Mill is located in the 100 years flood plain. However, the redevelopment will not alter drainage or flow patterns or surface water runoff in an adverse way. No impacts to flood plains are expected.

17) Public Health

The proposed Victory Mills redevelopment will not create any significant adverse public health impacts.

18) Induced Growth

The proposed Victory Mills redevelopment will induce growth in the Village. The growth has been determined to be a positive impact, no significant adverse growth impacts are expected.

19) Demand on Services

Use of the Victory Mills redevelopment will create an increased demand for public services. The demand for public services, such as police or EMS or highway improvements, that will come with the project will not have a significant adverse impact.

20) Community Plans

The proposed Victory Mills redevelopment will not create a material conflict with the community's current plans or goals as officially approved or adopted. The Village's Comprehensive Plan adopted in 2003 list development of the Mill property as the number one opportunity in the Village. The Victory Mills project is located in the Mixed Use Village Center District ("MUVCD"). The proposed uses for the project include multi-family residential, restaurant, private club (gym) and daycare. All of these uses are permitted in the MUVCD with Site Plan Review by Planning Board. Based on the foregoing, the proposed Victory Mills redevelopment will not create a material conflict with the Village's current plans or goals as officially approved or adopted.

21) Cumulative Impacts

No significant adverse cumulative impacts are expected from this action. The action includes the Victory Mills redevelopment. As required by SEQRA, the Board considered reasonably related long-term, short-term, direct, indirect and cumulative impacts including other simultaneous or subsequent actions which are: (1) included in any long range plan of which the redevelopment is a part; (2) likely to be undertaken as a result of the redevelopment; or (3) dependent on the redevelopment. No such actions were identified. Based on the foregoing, the proposed Victory Mills redevelopment will not create any significant adverse cumulative impacts.

22) Other Potential Impacts

- The site does not provide any public open space or recreational opportunities known to be significant to the community. The site has not been identified as a future public recreational opportunity or as an important open space resource in the Village. There are no public recreational areas nearby that would be adversely affected by the proposed Victory Mills redevelopment.
- The proposed action will not likely involve the creation of odors that are significant or adverse.
- The proposed Victory Mills redevelopment will not be in close proximity to a designated Critical Environmental Area ("CEA").

- o The redevelopment will not create changes in two or more elements of the environment, no one of which has a significant impact on the environment, but when considered cumulatively would create one or more significant adverse environmental impacts.
- o The redevelopment will not create a major change in the use of either the quantity or type of energy.

23) Conclusion

For all of the reasons set forth above, the Victory Mills redevelopment, as described above, will not have any significant adverse impact on the environment and, therefore, the issuance of this negative declaration is warranted.

For Further Information:

Contact:

John Ceceri, Chairman

Village of Victory Planning Board (SEQRA Lead Agency)

Home address: 7 Pearl Street, Schuylerville, NY 12871

Home telephone: 518.583.3708

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Filing and Publication:

A copy of this Determination of Non-Significance shall be filed, distributed and published as required by 6 NYCRR § 617.12.

VILLAGE OF VICTORY
PLANNING BOARD

Resolution Approving the Victory Mills Site Plan

May 19, 2010

WHEREAS, Uri Kaufman, the Manager of Riverview Realty, LLC (hereinafter, “the Applicant”) is the owner of the Victory Mills property located in the Village of Victory ’s Mixed Use Village Center District at 42 Gates Avenue, Village of Victory Saratoga County, New York (hereinafter, “the Property”); and

WHEREAS, on or about November 18, 2009 the Applicant submitted a Site Plan application, including Part 1 of a full Environmental Assessment Form (“EAF”) seeking permission to redevelop the Property into apartments and retail/commercial space; and

WHEREAS, the proposed uses for the project include multi-family residential, restaurant, private club (gym) and daycare; and

WHEREAS, all of the proposed uses are permitted in the Mixed Use Village Center District with Site Plan Review and approval of the Planning Board; and

WHEREAS, the Planning Board retained a professional engineer and a land use attorney to assist it in reviewing this application; and

WHEREAS, on or about March 25, 2010, the Planning Board circulated its intent to act as lead agency to all potential interested and involved agencies; and

WHEREAS, the Planning Board, with the assistance of its technical and legal consultants, engaged in an detailed review of the site plan application materials and the EAF; and

WHEREAS, on or about March 26, 2010, the Planning Board referred the application materials including Part 1 of the Full EAF to the Saratoga County Planning Board for review and consideration in accordance with Section 239-m of the NYS General Municipal Law; and

WHEREAS, in a letter dated May 12, 2010 the Saratoga County Planning Board concluded in its decision that the proposed redevelopment of the Victory Mills property presents “No Significant County Wide or Intercommunity Impact”; and

WHEREAS, on May 19, 2010, the Planning Board, as the SEQRA lead agency, adopted a written negative declaration for this application concluding that the proposed redevelopment of the Victory Mills property would not have any significant adverse environmental impacts; and

WHEREAS, the Board has thoroughly reviewed and considered all of the information submitted in connection with this application including information submitted by the applicant, the applicant’s consultants, the Board’s consultants and the County Planning Board ; and

WHEREAS, the Board has also considered the criteria for issuing site plan approval set forth under Article 7 Site Plan Review of the Village of Victory Zoning Law. Specifically, the Board considered the public health, safety and general welfare, and the comfort and convenience of the public in general. In accordance with Article 7 the Board also considered traffic access, circulation and parking and landscaping and screening.

NOW THEREFORE, BE IT RESOLVED that the Planning Board of the Village of Victory makes the following findings supporting Victory Mills redevelopment site plan approval:

1. The Victory Mills redevelopment complies with the Village's Site Plan Review Criteria and will not Impair the Public Health, Safety or General Welfare. This property is currently an abandoned industrial mill located in the heart of the Village of Victory. This project will reuse the mill property allowing its productive use while restoring an important historic structure. The proposed mix of uses will facilitate the public health, safety and welfare which were reviewed at the meetings held by the Board and set forth in herein and in the SEQRA Negative Declaration.
2. The redevelopment has ample access and circulation including, but not limited to, road widths, grade, alignment, sight distance, location, surfaces, traffic control, walkway, and pedestrian convenience as demonstrated to the board over the course of several meetings and reviewed by the Board's and the applicant consultants.
3. The redevelopment will restore the existing building with lighting that will not flood the neighborhood while providing safety for the residents and visitor to the property.
4. The redevelopment plan appropriately handles storm water and drainage and will prevent unacceptable flooding and erosion.
5. There exists an adequate water supply and sewage disposal facilities to handle the project when it is completely built and occupied.
6. The redevelopment has a landscaping plan that adequately designs the arrangement of trees, shrubs and other plantings.
7. The redevelopment expands the areas with landscaping to the maximum extent possible. The site has no authentic real undisturbed natural areas.
8. The redevelopment protects neighboring properties from the limited noise, glare, dust, air pollution that could be generated by the activities on the property.
9. The redevelopment has acceptable fire lanes and other emergency zones and provides fire hydrants.

- 10. The redevelopment has properly planned for exterior storage and parking and loading areas and adequately screened them for all seasons of the year from the view of adjacent residential lots and streets.

The Planning Board hereby approves the Applicant's site plan application.

Upon the motion of Planning Board member _____, and seconded by Planning Board member _____, the foregoing resolution was duly adopted by a majority vote of the Planning Board's full membership as follows:

<u>Planning Board Member</u>	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Recused</u>
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John Ceceri
 Peter Healy (*Absent*)
 William Lloyd
 Patricia Pierce
 Kathleen Trucotte

Certified: John Ceceri



Planning Board Chairman

Date

