

# The Future of Kingston's Waterfront

October 20, 2005

## Concerns:

# #1 Economics

## *The Threat: Flawed Economic Review Poses Risks to Taxpayers* *Kingston aldermen join call for careful look at economics*

*The Facts:* Flawed economic projections by AVR Realty on its massive proposed development pose risks to taxpayers for many years, according to a preliminary report by Scenic Hudson and the Friends of Kingston Waterfront (FoKW) coalition. The groups submitted the report to the Kingston Planning Board and requested a corrected economic analysis by the developer.:

- ❶ **Presuming steady economic conditions for next 10-15 years** – Tax benefits projected are based on 2004 economic conditions as if the entire project would be completed this year rather than in phases over 10-15 years – as AVR has proposed. Just one indication of the potential magnitude of economic fluctuations can be seen in the city budget, which between 2002 and 2004 rose nearly 20 percent, from \$25 to \$30 million
- ❷ **Underestimating major tax costs** – Assuming that county, state and federal funding will cover more than 50 percent of the increased community service costs from the project is unrealistic. Incorrect tax assessment and equalization figures also mean tax burdens have been heavily underestimated.
- ❸ **Study area excludes Ulster County and uses outdated data** – The study area on which AVR's report was based includes a multi-state area but remarkably excludes Ulster County. Instead AVR's consultant focused on 24 counties on Long Island and in New York, Connecticut, New Jersey and Pennsylvania. In addition, the analysis predicts school, traffic, fire, police and other tax-related impacts based on 1990 census data rather than available 2000 figures.
- ❹ **Incorrect on school impacts** – There will be more school impacts than predicted because AVR's consultant failed to differentiate between rental units and condominiums. Rental units average four times as many students.

## Info:

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# Quotes

***“The development might spur others that could price Kingston residents out of their own city.”***

—Kingston resident Noel Mochon at October 12, 2005, public hearing  
Daily Freeman, October 13, 2005

***“Concerns have been raised about the economic impact of such a massive development, as well as its effect on roads, sewer and schools. These issues must be resolved before plans proceed.”***

—Poughkeepsie Journal, editorial, September 14, 2005

***“If there are miscalculations, it won’t be the developer who will pay the bills when this project is done, Kingston residents will.”***

—Respected real estate and economic development economist Ken Bowers

***“This is a vitally important project. We are fortunate to have the expertise of a regional organization taking a careful look at the details of it, including the economic costs and benefits. This can only help us ensure we have a strong project on the Hudson.”***

—Kingston Seventh Ward Alderman, Democratic Majority Leader Bill Reynolds

***“Having Scenic Hudson and the Friends of Kingston Waterfront working in cooperation with the planning board on economic, infrastructure and other aspects of the project will make for a better project.”***

—Kingston Ninth Ward Alderman Mike Madsen

***“The money is rolling in, but not at levels sufficient to pay for all of the services that new development is going to require.”***

—National Association of Counties Head of Research Jacqueline Byers –  
MSNBC, July 11, 2005