

TOWN BOARD SPECIAL MEETING

Rutherford Hall
Village of Scarsdale
February 9, 2016

A Special Meeting of the Town Board of Scarsdale was held in Rutherford Hall of Village Hall on Tuesday, February 9, 2016 at 9:17 p.m.

Present were Ms. Pekarek; and Messrs. Callaghan, Finger, Lee, Samwick Stern and Mark. Also present were Village Manager Pappalardo, Deputy Village Manager Cole, Assistant Village Manager Richards, Town Counsel Esannason, Deputy Town Counsel Garrison, Custodian of Taxes McClure, Town Clerk Conkling, and Assistant to the Village Manager Ringel.

Mr. Mark presided.

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Minutes

The minutes of the Town Board Meeting of January 12, 2016 and Special Town Board meeting of January 26, 2016 were approved on a motion entered by Ms. Pekarek, seconded by Mr. Lee, and carried unanimously.

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Public Hearing

Mr. Samwick stated that this is a Public Hearing to receive comments on a proposed local law adopting the Provisions of Section 1903 of the Real Property Tax Law, Commonly Referred to as the "Homestead Tax Option".

Before beginning with the public comment section, Mr. Samwick stated that John Wolham of the New York State Office of Real Property Tax Services will give a presentation on the Homestead Tax Option and what is involved.

Mr. Wolham provided a brief overview of Homestead and that he wouldn't go through all of the details except the pertinent details of all the backgrounds since the Village is considering this again as it did during the original 2014 reassessment.

He stated that essentially, Homestead is a tax option; it is a local option authorized by State legislation that was passed back in the early 1980's and is only something that is available when a municipality does a reassessment. He pointed out that while he is with the Office of Real Property Tax Services which is part of Tax and Finance, they do not advocate for or against this option.

With the Village doing another reassessment for 2016, going on the assumption that ORPS will verify that project and accept it at the 100% level of assessment that this Village is striving for, that enables the Village to consider Homestead again.

Mr. Wolham explained that Homestead involves the classification of all properties on the Town's roll – a little bit under 6,000 properties. Essentially, the Homestead Option would cause all properties to be classified as either Homestead or Non-Homestead and in a very few limited circumstances, split.

The Homestead Class are one, two and three family homes. There are no mobile homes or manufactured housing in Scarsdale so that does not need to be addressed. Condominiums are in the crux of the Village's consideration of Homestead for this 2016 reassessment. The way the law is written, condominiums that are built as condominiums or those condominiums that were converted from uses other than rental apartments or cooperative apartments are classified as Homestead. That becomes important because those condominiums that are classified as Homestead are valued on a market value basis. Under New York State law, rental apartments, cooperative apartments and condominiums are valued on what is known as an income approach. All the units in a complex are basically developed with hypothetical rents as if they were rental units. A value is derived for the entire complex, it is capitalized in the same way that commercial real estate has income approaches to value developed for appraisal purposes. Then that value for the whole complex is essentially apportioned based on each unit's percentage of common interest. Typically that approach yields values for individual condominiums that is noticeably lower than what those individual units would sell for on the open market like any other piece of real estate.

What the Homestead Tax Option does, which is otherwise not permissible, is that where Homestead is adopted, those condominiums that are classified as Homestead will then be valued on a market value basis. There are 42 residential condominiums in Scarsdale, all of which were built as condominiums so they would all be classified as Homestead, and if the Village were to adopt it, they would receive market value assessments.

Also in the Homestead Class is vacant land, 10 acres or less that is zoned exclusively for one, two, or three family use. There may be some residential dwellings with an incidental commercial use such as a chiropractor's or accountant's office, for example.

All other property that is not classified as Homestead is classified as Non-Homestead. That is commercial property, special franchises, utilities, vacant land that doesn't qualify (10 acres or more or 10 acres or less that isn't zoned exclusively for one, two or three family use). There might be a few split properties in Scarsdale where you have more than one structure.

Mr. Wolham continued, stating that the role immediately preceding the reassessment roll (2016), the 2015 roll would have to be examined and every property would have to be classified as Homestead or Non-Homestead. The premise of Homestead is that a municipality does a reassessment after many years of not having done one and the properties that are in the Homestead class, which are predominately residential, generally tend to move at different rates of appreciation or depreciation, depending on circumstance than non-residential properties. Where you look across the State at municipalities that have adopted Homestead (there are 48 State-wide) most of them happen to be in the Hudson Valley area, they tend to be municipalities that have a larger or significant non-residential segment, meaning commercial property. Typically, when a reassessment is done, the residential property will represent a higher share of taxable value. In some instances when that happens, a municipality might determine that there is a big shift in taxable value from non-residential property to residential. Homestead allows the municipality to mitigate that shift and insulate the properties in the Homestead class from that shift.

Scarsdale is in the Scarsdale School District which encompasses the whole of the Village/Town of Scarsdale and a couple of hundred properties in Mamaroneck. Based on the way the law is written, if the Town were to adopt Homestead then the School District would have the option to adopt Homestead as well because they meet that legal threshold. If the Town does not adopt Homestead, the School District does not have that option or choice. Homestead does not apply to the County tax. If Homestead were to be adopted as part of this project it would first apply to the April 2017 Town levy because that would be the first levy generated from the Town's 2016 reassessment roll and it would also apply to the September 2017 School District tax because that also would be the first School District tax generated from the 2016 reassessment roll.

Mr. Wolham then presented an impact analysis of property tax revaluation for the various classes of properties with and without the Homestead Option utilizing several tables which were shown to the Board and the audience.

He stated that Homestead is considered typically when there is a shift from one class of property to another as a result of doing a reassessment. In 2014 when the reassessment was done in Scarsdale, the properties that would have been classified as Homestead made up of approximately 94.28% of taxable value. His key point is that if there was not a significant shift between classes of property, then it is reasonable to think that there is not going to be a significant shift between classes of property as a result of the 2016 project. He points that out only because the typical scenario for considering Homestead which is insulating a disadvantageous tax shift really isn't present in Scarsdale. However, as was the case in 2014, there was clearly some philosophical discussion by members of the community about the issue of fairness and is it appropriate for condominiums to pay on the income approach to their assessed value as opposed to the market value. He stated that he brings this up only to say that given the unique set of circumstances that Scarsdale has relative to reassessment, it would appear to him that this is the issue at hand for the Town and the property owners. There really is no indication at all that there would be shifting of classes to warrant something like this.

Mr. Wolham stated that if the Town were to adopt Homestead, a local law would have to be adopted to do so, and there is a legal requirement that the local law would have to be adopted at least 60 days in advance of Tentative Roll. If that were to happen, such a local law would have to be adopted no later than approximately April 1st.

Trustee Samwick asked Mr. Wolham to confirm that no matter what is done here with respect to the Homestead Tax Option, the revenue coming into the Village government from real estate tax payments is unchanged.

Mr. Wolham replied that this is correct; taxes are always completely separate issues from assessing, even though many people consider them linked. For example, the assessments on the condominiums is not going to influence the Town's budget. What would happen in a scenario in which Homestead is adopted by virtue of the fact that the 42 condominiums would be receiving a market value sales based assessment, there would be an increased amount of taxable value to some degree which spreads out the distribution of tax among a slightly larger pool of taxable value.

Nanette Albanese, Town Assessor, stated that at the request of the Board she did prepare an analysis of the impact of Homestead versus Non-Homestead valuation/assessment methodologies. She stated that since we are in the preliminary phase of valuation, the conclusions of the analysis were prepared as opposed to the individual assessments and value conclusions. She stated that with the assistance of her Deputy, Patrick McEvily, they prepared values for the property

under two different scenarios – one being assuming the Homestead Option was passed, and two, assuming it was not passed. They applied a market based value to each individual unit based on the data that was available in the market place and took the sum of all those numbers and we projected a number in the aggregate of \$58,858,000. This is a preliminary number and is subject to change between now and June 1st.

Under the second scenario, Ms. Albanese stated that they searched the market for comparable rentals, some of those being within the development itself and most of those were outside the development. She noted that there aren't many comparable rentals for Christie Place. It is unique and one of a kind. A rental value was applied to each of the units at Christie Place and took the sum of those numbers, applied as required expenses that would be appropriate to the property as if it were a rental project and deducted those from the gross income that was estimated could be generated if the subject property were a rental complex to arrive at a net operating income. They arrived at an estimated value for just the residential units of \$3,543,000. The difference between those two numbers mathematically is \$28,315,000.

Ms. Albanese stated that they applied a tax rate that did not include the County tax because Homestead does not apply to the County tax. That will slightly distort the actual taxes for each of the individual unit owners at Christie Place because it does not include the County tax. For the purposes of the Homestead Tax Option it was necessary that they showed it in this manner.

Ms. Albanese stated that they then broke the numbers down to the applicability to the individual owners at Christie Place. Those looking at the analysis should recognize that these are just averages for the purpose of this exercise and not intended to disclose each of the individual assessments that may apply as of June 1st – It is much too early for that although this is the preliminary analysis that they have done. Applying that tax rate - \$19.89 per thousand of assessed value – the total average tax estimate per each individual unit of Christie Place amounts to \$27,873. Under the second scenario, the Non-Homestead scenario, the same average tax dollar per unit without the County, sewer or solid waste tax, calculates to \$14,464.00, the difference being \$13,409.

Ms. Albanese stated that she was asked to show a second hypothetical if Homestead were in place today. In the Budget sessions, the Trustees are using a total taxable assessed value of approximately \$8,909,089.00 to set the tax rate. If they had that additional \$28,315,000 assessed value that would bring the base taxable assessed value with which they would have to work to \$8,937,404.000.

For information purposes, she was asked to show the actual taxes currently at Christie Place which is also shown on the paperwork she has provided. Again, those taxes do not include the County, sewer or solid waste taxes and predicated on an assumption that taxes this year, overall combined weighted average will increase approximately 2 1/2%.

Trustee Finger asked Ms. Albanese if it were good or bad for the residents of Scarsdale if the number goes from \$8,909,089 to \$8,937,404?

Ms. Albanese stated that if she were a taxpayer she would want it to be higher because it lowers the tax rate.

Mayor Mark stated that it lowers the tax rate but the levy is the same – it affects the tax rate, but the dollars that have to be generated are whatever the tax levy is.

Richard Garwin, 1 Christie Place Unit 402W, spoke in opposition to the Homestead Tax Option. Before he and his wife moved to Christie Place, they lived in a home for 55 years at 16 Ridgecrest East. They are aged 87 and 88 years. Their three children attended and graduated from the Scarsdale School District. For Scarsdale to adopt Homestead would be a misuse of the law, the purpose of which is to prevent any large shift to the residential class of properties as a result of a revaluation. Homestead would only apply to the condominiums at Christie Place and not to the cooperative apartments in Scarsdale that are of comparable size and market price.

The Christie Place development is an award winning public-private partnership with 42 residential units that can only be sold for occupancy by a resident over 55 years of age. There are two restaurants and three commercial units and off street parking for the residents. Short term garage parking and underground commuter parking for which the condominium, provided the mortgage. The Village controls. Manages and profits from 310 of the 370 parking spaces and on weekends and holidays the 234 underground commuter parking spaces are available to all for free.

Mr. Garwin stated that if the Homestead Tax Option were adopted, the property tax bill for the unit owners at Christie Place would see their taxes double. He quoted remarks made by Mayor Carolyn Stevens made at a joint meeting of the Village Trustees and Board of Education on May 27, 2010. She stated that she had attended the New York Conference of Mayors (NYCOM) Annual meeting in Saratoga, New York where Scarsdale was awarded First Place in the area of Economic Development for the Christie Place development. NYCOM found the project to be innovative and creative and as a public/private partnership it provides the Village with many benefits including parking, senior housing and accessibility to transportation as well as adding to the vitality of the Village Center with retail on the first level and housing above. The development also provides the Village with several streams of revenue.

Robert Berg, 32 Tisdale Road, gave the following statement: “Good evening. Last year, you decided it is so important to keep our property tax rolls up to date and to correct perceived inequities and “flaws” from the first revaluation that it is worth spending \$250,000 on a second town-wide property tax revaluation in two years. Why is a second revaluation so important to you? Well, as Mayor Mark explained at a Village Board meeting on April 14, 2015, the goal of the revaluation is “to achieve a more equitable allocation of the property tax burden among Village property owners.”

Mayor Mark justified performing a costly second revaluation, stating: “In my view, the present effort represents a good faith attempt to finish off what was largely completed in 2014. In that sense, I view it as an effort to refine what was done utilizing the extensive and current data base compiled in that process. It is expected to eliminate a number, though perhaps not all, of the inequities that may still exist in the allocation of the property tax burden.”

You seem to understand that equity demands that properties having substantially similar market values should pay approximately the same in property tax. That is to say, a house in Fox Meadow valued at \$1 million should pay about the same in property tax as another \$1 million house in Fox Meadow or a \$1 million house in Quaker Ridge. And a \$3 million house in Greenacres should pay about the same property tax as a \$3 million house in Heathcote. Am I right? Who can argue with that?

But how about a \$1.5 million luxury condo unit in Christie Place? Shouldn't that property pay about the same property tax as a \$1.5 million house in Heathcote, Edgewood, or Greenacres? That result seems fair and pretty obvious when you're talking about treating Scarsdale

taxpayers equitably, doesn't it? We don't want to discriminate in favor of any one group of Scarsdale taxpayers at the expense of the rest, right? Isn't that why we're doing all of these expensive revaluations when our streets are falling apart?

But back in 2014, you, the Village Board, unanimously said "Hell no, we do want to discriminate. We want to protect a special group of Scarsdale property owners, the residents of Christie Place. We want to give them a massive property tax break that their friends and neighbors don't get. And we want those friends and neighbors to pay for that tax break."

Boy, that seems utterly at odds with Mayor Mark's goal of eliminating the remaining inequities that still exist in the allocation of the property tax burden. So what am I talking about. I'm talking about this Village Board perpetuating a property tax loophole that grants the owners of the luxury residential condominiums at Christie Place a tremendous discount on their property taxes. In fact, this gaping tax loophole meant that after Christie Place was built in 2008, until the 2015 tax year, the owners of the Christie Place condos were able to pay only 1/3 of the property tax that owners of the same value single family houses must pay. The 2014 revaluation diminished this tax benefit a little. So today, the Christie Place condo owners pay about 1/2 of the property tax on their units that owners of the same value house must pay.

But this tax loophole also means, however, that Scarsdale's taxpayers are subsidizing 1/2 of the property taxes that the Christie Place condo owners would otherwise have to pay – now to the tune of \$563,185 every year, and until 2015, that subsidy was about \$1 million every year.

Why is that? Because in 2014, this Village Board unanimously refused to adopt the Homestead Tax option in connection with the 2014 revaluation. The Homestead Tax option would have closed this unfair tax loophole, and you had the power to adopt it.

Instead, over my vociferous objection, you declared that owners of the 42 luxury condo units in Christie Place are entitled to a special deal not available to the owners of the 5,300 single family residences in Scarsdale. You decided that the Christie Place owners get the Scarsdale Blue Light Special – a permanent, enormous discount – now worth about 50 percent -- off of their property taxes. And you determined that the rest of Scarsdale's beleaguered taxpayers, including the several thousand seniors who continue to live in their single family residences, have to foot the bill by paying higher property taxes on their own properties to cover the shortfall.

To me, this situation is fundamentally unfair. The Village Board's decision two years ago was indefensible and unprincipled. You decided to discriminate grossly in favor of a small class of residents -- some of whom are exceptionally wealthy and all of whom live in luxury, high-end condos -- without any income or asset screening test – just because you felt sorry for them because they might not have known when they bought their apartments that their Blue Light Special might not last forever.

What's bizarre about your decision then was your desire to protect only this very select group of 55 year old plus residents when your 2014 revaluation was absolutely slamming legions of 55 year old plus residents who live in single family homes – many of whom have seen a doubling of their property taxes. Where's the equity in that?

That's why the Advisory Council on Scarsdale Senior Citizens, an official council appointed by the Village Board, unanimously voted to recommend that the Village Board adopt the Homestead Tax option in connection with the 2016 revaluation. The Village Board established this

council in order to obtain its advice as to all issues relating to senior citizens in Scarsdale. Now, listen to them! The Council emphatically stated in its November 17, 2015 Letter to the Village Board that “[i]t is unfair that 42 seniors at Christie place get special tax treatment.” The Council notes: “This is particularly a ‘senior’ issue because many seniors have lived in Scarsdale in older homes for decades and were significantly impacted by the 2014 revaluation, which was designed to assure the ‘equitable distribution of the property tax burden’” and that “Scarsdale Seniors have had no choice but to pay higher taxes if their assessment was raised.”

Scarsdale’s seniors, many of whom are retired and who have not directly benefited from the schools for a couple of decades, feel our huge property tax burden more than any other group. They are demanding that you end the special tax treatment you give to the Christie Place residents because its simply unfair.

Aren’t we all in this together? As civic leaders, how can you choose to allow one a huge tax break, while making the other pay up or move out of town?

No one likes to pay more than his or her fair share of property taxes, especially in Scarsdale, which suffers among the highest property tax burdens in the entire country. But no special group should be able to pay LESS than its fair share of property taxes either. Under our non-partisan political system in Scarsdale, we smugly and self-satisfyingly pat ourselves on the back and say we are not beholden to any special interests. We exercise our fiduciary duties and do the right thing for all Scarsdalian. Right? We as a Nation and as a Village operate under the fundamental principle of Equal Protection under the Laws. That means that, as government officials, we don’t discriminate in favor of one group or another. We treat all residents as equal under the law. At least, that is how we are supposed to govern.

But that’s not how the Village Board is governing. With respect to the Christie Place condo owners, the Village Board failed our residents in 2014, by discriminating in favor of this small group of well-connected, influential residents. That decision to benefit a small, but powerful and vocal group to the detriment of the other taxpayers was a black mark against our tradition of good government.

The Village Board now has an opportunity to erase this black mark and place the Christie Place owners on the same level playing field as the rest of Scarsdale’s residential homeowners, basing their property taxes on the current fair market value of their condos. All the Village Board has to do is enact the Homestead Tax option, which I ask the Board to do.

I must emphasize that I am not asking the Village Board to adopt the Homestead Tax Option to punish the Christie Place owners. I am simply asking that they be treated the same as the 5,300 or so residential homeowners in Scarsdale whose property taxes are assessed based on the fair market value of their homes. The Christie Place owners have already enjoyed five to eight years of massively subsidized property taxes – that’s more than \$7 million in property taxes that they have had other Scarsdale taxpayers pay for them. That gravy train needs to be stopped now.

There is simply no principled reason by which you can justify such a “rob Peter to pay Paul” approach to governance in the Village of Scarsdale.

While the impact on the Christie Place residents will undoubtedly be harsh and the resulting monetary benefit to the non-Christie Place owners relatively slight (about \$100 per property per year on average), that balancing analysis cannot control your decision here, as it did in 2014. Enactment

of the Homestead Tax Option will eliminate a tax loophole that has unfairly benefited the Christie Place condo owners since sales began in 2008.

Residents who feel badly for the Christie Place residents are free to contribute to a “Save the Christie Place Residents Property Tax Subsidy Fund” which they can create, but as government officials, you should not impose such an involuntary equivalent upon Scarsdale’s property owners. The bottom line, then, is that you need to be true to the fundamental principles of fairness and equity to all Scarsdale taxpayers. Thank you, and I hope you’ll do the right thing.”

Trustee Stern asked Mr. Berg if he thought that if all the people that owned co-ops in Scarsdale were fairly taxed.

Mr. Berg stated that most people are close to fairly taxed because the co-ops that we currently have in Scarsdale are the Chateaux and 50 Popham. Those are apartments that are very similar to 45 Popham which is a rental building. The co-ops are probably slightly under assessed.

Trustee Stern asked if it were fair that the Christie Place unit holders paid the same tax rate as the co-op owners? And would it be fair to penalize one set stakeholders and not the other?

Mr. Berg responded that the Board does not have the ability under law to change how co-ops are taxed.

Trustee Stern stated that if we are going to apply fairness, one stakeholder should not be charged more than another stakeholder with the same type of accommodations.

Mr. Berg stated that a \$1.1 million Christie Place condominium should be taxed the same as a \$1.1 million single family home.

Trustee Stern stated that in his opinion, this doesn’t speak to fairness because co-ops, no matter what their value are the same as the Christie Place units.

Mr. Berg stated that you can’t change the law with co-ops; you can address the inequity of the Christie Place condo situation and he asked the Board to do so.

Deb Morel, President, Scarsdale League of Women Voters, stated that “I am the President of the Scarsdale League of Women Voters. I am here this evening to present the League’s position regarding the adoption of the Homestead Tax Option. At this time, the League does not support the adoption of the Homestead Tax Option by the Town Board of Trustees.

The League first considered this issue in connection with the 2014 Scarsdale property revaluation. On February 27, 2014, the League held a public information meeting, open to the public on the Homestead Tax Option, featuring panelists John Wolham of the New York State Department of Taxation and Finance and Nanette Albanese, Scarsdale Town/Village Assessor. Based on a consensus meeting of the League’s members the League submitted a statement to the Town Board of Trustees stating its opposition to the adoption of the Homestead Tax Option on March 4, 2014.

In connection with the current property revaluation project, the Town again has asked for community input on whether the Homestead Tax Option should be adopted. The League again met with John Wolham and Nanette Albanese to review the relevant portion of the law, its applicability

and the effect of its application on our community as a whole and on the specific units that would be impacted if the Homestead Tax Option was adopted, namely the condominiums at One Christie Place.

We confirmed that the true purpose of the Homestead Tax Option is the same as it was in 2014; to allow communities to prevent a shift in the tax burden from commercial properties to residential properties at the time of revaluation and therefore insulate residential property owners, As a group, from bearing a larger share of the tax burden after revaluation. It is not mandated, but rather a choice for the local governing body.

As in 2014, the Town Board is not considering adopting the Homestead Tax Option for its intended purpose of preventing a shift in the tax burden between commercial properties and the residential properties because that amount would be negligible. Rather, the focus of whether to adopt the Homestead Tax Option is on the classification of condominiums, built as condominiums and the method of valuing of such units for tax assessment purposes. And, as in 2014, the only existing properties in Scarsdale that fall into this classification are the 42 residential units at One Christie Place. The adoption of the Homestead Tax Option would change the method of valuation for these specific types of condominiums from the income approach (required by law to be used for all cooperatives and condominiums) to the market value approach (Used for single-family homes, and based on air market value or the resale price.)

Based upon the data provided to the Town Board of Trustees at their meeting on February 1, 2016, the estimated effect of adopting the Homestead Tax Option and changing the valuation methodology for the One Christie Place condos would be a tax increase for One Christie Place residents of approximately 100% per residence. It bears pointing out that the taxes of the One Christie Place residents were already almost doubled after the 2014 revaluation, using the legally prescribed income approach. It should also be mentioned that the original public/private partnership between the developer and the Village continues to provide much needed parking, a police station and public restrooms at the One Christie Place site. If the Homestead Tax Option is not adopted, the Town estimates that the tax burden on the remaining approximately 5,700 single-family homeowners would be, on average, about \$99.00 per property. This is even lower than the \$150 average tax increase per single-family home estimated in 2014. The league believes that the harm to the One Christie Place residential condo owners from adoption of the Homestead Tax Option would not be outweighed by the potential benefits to single-family homeowners at this time.

In addition, the League reiterates its long-standing position of advocating for an increased supply of housing that provides residential alternatives for long-term Scarsdaliens and we believe that adoption of the Homestead Tax Option under the present circumstances would counteract that aim.

The League appreciates the opportunity to comment on this issue and we thank Ms. Albanese and Mr. Wolham for the help they have provided our Committee on this topic.”

Laura Miller, resident of Scarsdale, stated that she is an attorney and realtor and her mother lives at Christie Place. She stated that there are four reasons that have led her to oppose the Homestead Act. Christie Place units are taxed differently from single family homes because they are different. They are unique and have restrictions on them that single family homes do not and should not be taxed the same.

She pointed out that the Village charges \$1500 per parking permit for the Christie Place commuter parking garage per year so they are earning approximately \$336,000 plus the money from the meter spots in the Christie Place municipal meter lot. The Christie Place owners still carry a \$2 million note from the construction of the garage facility and the homeowners still pay an annual interest on that note.

Single family homeowners are not subsidizing the Village in this way so these homeowners should not be taxed in the same manner as the Christie Place units. The residents at Christie Place also pay a share of the garage maintenance and cleaning costs from which the Village benefits.

The existing treatment is consistent with the residents' reasonable expectations. The buyers of those units purchased them with the understanding that they were buying a condominium with a bundle of restrictions attached. A high price tag and reasonable taxes to defray the high price tag. The lower taxes made staying in Scarsdale an option when otherwise there would have been none. This option was affordable due to the lower taxes. Many of the residents are lifelong Scarsdale residents and they all shop the 'Dale'. The owners had a reasonable expectation that the taxes would remain reduced. The Village benefits greatly from this building.

The benefits of any change aren't really worth the grief. Adopting the Homestead Act would result in a fairly small decrease in taxes for the rest of the residents in Scarsdale but would result in an extremely significant increase to the 42 homeowners at Christie Place.

Sean Cohen, 35 Chesterfield Road, stated that he has lived in Scarsdale most of his life. He asked how much income was derived from the garage and commercial space by the Village?

Village Manager Pappalardo stated that Ms. Miller's numbers were fairly accurate – approximately \$400,000.

Mr. Cohen stated that what he sees at Christie Place is that the Village has an income stream of about \$500,000 – he doesn't know anyone who has a house in Scarsdale where they are required to provide parking and other income streams for the Village. These are not exactly comparable. Comparing purely on sales value is not a valid comparison. There are also restrictive covenants at Christie Place where you can only sell to people above age 55 years. While he understood that certain seniors in other homes are being impacted, what they can do with their properties and who they can sell to is very different. If Christie Place is comparable to anything, it would co-ops. The current tax treatment is very appropriate.

Howard Nadel, President of the Scarsdale Forum, stated that this week the Forum's Executive Committee reviewed the new report on the reassessment and approved it. The Executive Committee is in favor of the Board adopting the Homestead Tax Option.

As a private citizen living on Aspen Road, stated that this is not a decision about Christie Place, it becomes to personalized to say this. You have to think of the coming years when there will be additional units coming to Scarsdale and a decision will have to be made as to how to treat them. Are they going to be treated the same way as Christie Place or as the 5,900 homeowners that live throughout Scarsdale. He urged the Board to take a step back and see if there is something that can be done that will be fair to the people at Christie Place and fair in terms of equal representation for the homeowners of Scarsdale. More units are coming and he would hate to see the Board make a 20 year mistake.

William Solzer, Counsel to the Christie Place Board of Managers and is here this evening to express the Board's opposition to the Homestead Tax Option. He noted that none of the underlying facts have changed since the Board of Trustees last considered this issue in 2014. He spoke to the intended purpose of the State Legislature with regard to 581 of the New York State Real Property Tax Law which mandates the methodology used to value these properties and to encourage condominium and cooperative forms of home ownership. The Homestead Tax Option was enacted by the State to encourage municipalities to conduct revaluations and prevent a major shift in the post revaluation tax burden to the residential class. He noted that the Town of Mamaroneck, the Village of Bronxville and the Town of Ossining were the most recent communities to conduct revaluations. All of the communities have condominiums on their assessment rolls and they all decided not to adopt the Homestead Option.

Mr. Solzer noted the restrictions that have been placed on the development as a result of the sales agreement between the Village and Ginsburg Development Corp. These are enumerated in his statement that he submitted to the Village Clerk for distribution to the members of the Board.

Mr. Solzer stated that Mr. Ginsburg himself stated in 2014 that Christie Place could never have been built if the Town had adopted the Homestead Act. Mayor Strauss also stated that the application of the Homestead Act would be out of proportion, unfair, and would violate the principles agreed upon in the Village's negotiations with Ginsburg Development Corp.

Mr. Solzer stated that the Homestead Tax Option would unfairly alter the methodology used to determine the tax burden of one small group of elderly Scarsdale residents for a comparatively insignificant tax savings to other residents. He urged the Board to reject adoption of the Homestead Tax Option.

Robert Harrison, 65 Fox Meadow Road, congratulated Mayor Mark's mother on her 92nd birthday. He commended the Mayor on how well he ran the Board meetings and allowed people to finish their statements.

Mr. Harrison stated that to his knowledge this meeting was not published in the Scarsdale Inquirer. He said that he hoped the Board would not vote on this tonight and there may be other speakers. The Board should take all the information that has been presented and any additional information that may come in between now and the February 23rd meeting.

Mr. Harrison stated that he went to the Village Clerk's office today to get copies of the Town Board meeting minutes when this issue was discussed on February 25, 2014 and a follow up meeting on March 4th. There are a total of 29 pages of minutes and are a lot to digest and think about. He again urged the Board not to vote tonight.

Mr. Harrison noted that the Scarsdale Senior Citizens Advisory Council Chair Carol Silverman wrote a letter in support of the Homestead Tax Option on behalf of the members of the Council.

Mr. Harrison stated that Christie Place units are luxury condos and are undervalued. He said it is incumbent on this Board to pass the Homestead Tax Option at the next meeting. This is a fairness issue.

Michael Levine, 54 Walworth Avenue, stated that the Board should not adopt the Homestead Tax Option. He stated that he had come to this meeting with no position on this

subject at all. Listening to the discussion, he now believes the Homestead Tax Option should not be adopted. Trustee Stern made a good point; the correct fairness is between Co-ops and Condos, not single family homes and condos. Multi dwelling units have that similarity. The point the gentleman from Chesterfield Road made that there is a parking revenue that almost compensates for whatever the difference would be and that there is less cost to the Village in services (sanitation, etc) not to mention no children in the schools. These circumstances lead him to conclude that things are fine as they are and the Homestead Tax Option should not be adopted.

Mayor Mark stated that he received an email from Carol Silverman who could not attend the meeting this evening. She asked that her letter be read at this meeting which he did at this time.

Robert Harrison, 65 Fox Meadow Road, stated that after the 2014 revaluation there were over 750 grievances of which he was one. He said that if the Homestead Tax Option is adopted and the condos at Christie Place are reassessed, certainly some of the items that their Counsel mentioned can be taken in to consideration and if they have to grieve they can present their case.

There being no further comment, Mayor Mark closed the public comment section of this meeting.

Mayor Mark asked the Board members if they would like to vote on this now or wait until the next Board meeting on February 23rd to vote on it. The Board members agreed that they would like to wait until the next meeting to vote on this matter.

Mayor Mark stated that the public hearing will be left open and the Board will continue to receive comments from the community in this regard. The public hearing will be continued at the Board's regular meeting on February 23, 2016.

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Mayor Mark stated that he would like to mention that Judge Miriam Cedarbaum passed away this past week. She was a longtime resident of Scarsdale. He stated that he used to play paddle tennis with Bernie Cedarbaum, so he knew her and would see her on the train. She served as a Village Justice of Scarsdale and then had a long a very distinguished career as a U.S. Federal Court Judge. We will miss her.

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Trustee Pekarek stated that she would like to repeat the statement that she has already made – While I am surprised, I believe that I served as a Village Trustee with honor, distinction and grace. I support the system. I believe that the newly constituted slate will serve the Village admirably and I congratulate them all.

Mayor Mark stated that Trustee Pekarek's statement just proves the point that she is a very classy person. Trustee Stern stated that it is a real tribute to her that she made that statement.

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Report of the Custodian of Taxes

Custodian of Taxes McClure stated that the Board has the received the Town financial reports for January 2016.

As of January 2016, 99.01% of the 2015 school tax levy has been received and remitted to the school district. This is down marginally from last year's collection rate of 99.05%.

In addition, 99.63% of the County tax levy has been collected. This is a slight improvement from last year's collection rate of 99.49%.

Total uncollected 2015 taxes are \$1,450,194 at the end of January compared with \$1,395,335 at this time last year (an increase of \$54,859). Delinquent taxes have increased from \$704,005 in January of 2015 to \$770,826 at the end of January 2016. The increase in delinquent taxes is related to the combined increase in the School and County tax levies of \$6,581,863.

Another set of reminder notes will be sent out in March prior to the filing of the List of Delinquent taxes with the County.

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Future Meetings

Mr. Mark announced the following future meeting schedule:

- *Tuesday, February 23, 2016* – Agenda Meeting – 7:30 P.M. – Trustees' Room
- *Tuesday, February 23, 2016* – Village Board Meeting – 8:00 P.M. – Rutherford Hall

FY 2016/17 Budget Discussions

Finance Committee – Trustees Room

- Tuesday, February 23, 2016 – 6:00 P.M.
- Tuesday, March 8, 2016 – 6:30 P.M.

Public Briefing Sessions – 3rd Floor Meeting Room

- Wednesday, February 24, 2016 – 7:00 P.M. – Operating Budget
- Wednesday, March 2, 2016 – 7:00 P.M. – Capital Budget

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Village Hall Schedule

- Friday, February 12, 2016 – Lincoln's Birthday – Village Hall Closed
- Monday, February 15, 2016 – President's Birthday – Village Hall Closed

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On a motion entered by Ms. Pekarek, seconded by Mr. Finger, the Town Board meeting adjourned at 10:55 P.M.

Donna M. Conkling
Town Clerk