

III.I.1 Tax Increment Financing (TIF)

I.1. Tax Increment Financing (TIF)**Comment TIF-1:**

I know that you plan to spend 159 million dollars of our tax money on this development, but I see a lot of other things we desperately need this money for. I see that our schools are failing, and our children need after-school programs to help bring themselves up to become productive and successful citizens. We need more affordable housing because we the residents do receive a living wage and struggle to pay their rent. Many more become homeless every day.

(Annette Arthur, Resident, Public Hearing, 4/29/2008, Page 96-97)

Response TIF-1:

Comment noted. Under the proposed Tax Increment Financing plan, the amount of City tax currently being generated by the Project sites and 25% of the incremental additional taxes that will be generated as a result of the development of the Project will be usable by the City for general purposes. The Project would not occur without the Tax Increment Financing, and without the Project, there is no increment. Therefore, in the absence of the Tax Increment Financing, the City would receive less tax revenue usable for general purposes than is proposed.

Comment TIF-2:

We have to be absolutely sure that we are in fact bringing all the financial benefits that we are talking about. We are talking about a two hundred million dollar TIF bond issue which will be the biggest TIF, tax incremental financing in the country, very exciting to be the first, but we have to think about how we are going to finance that.

(Terry Joshi, Yonkers Green Policy Task Force, Public Hearing, 4/29/2008, Page 198)

Response TIF-2:

Comment noted. At 200 million dollars, the bond offering would be one of the largest in the nation but not necessarily the largest. See Responses TIF-1, III.I-26.

Comment TIF-3:

I think that this TIF is a very complex tool, and I think that it would help me as a citizen if someone, maybe one of the consultants could do a five year, a one year, two year, three year analysis projecting it into five, 10, 15 years so we know what the revenue will be, what the cost will be when there will be, you know, something coming in. I think if there was a bar graph, a circle graph it would help the public, and I think that would be to our benefit.

(Judith Garan, Public Hearing, 4/29/2008, Page 247)

Response TIF-3:

Revenue and bond debt service projections are in Appendix D to the Tax Increment Financing Feasibility Study in Appendix 1F of the DEIS.

Comment TIF-4:

Unless the City Council is prepared to go out and raise two hundred million dollars and bond the heck out of the taxpayers in the City of Yonkers to pay the debt service on those bonds, you have no other choice but to move this project forward and move it forward quickly. That infrastructure is key and vital not only to this project, but it's key and vital to every other development idea that extends into the core of the City of Yonkers, so I just wanted to make that point for you.

(Ross Pepe, President, Construction Council, Public Hearing, 4/29/2008, Page 180)

Response TIF-4:

Comment noted.

Comment TIF-5:

1. How much property tax revenue (dollar amount) is estimated for the TIF district for each year over the next 20 years, from start of construction?

(Michael Sabatino, Resident, E-mail, 5/13/2008)

Response TIF-5:

The projected incremental tax revenues are shown on Schedule IX of Appendix D to the Tax Increment Financing Feasibility Study in Appendix 1F of the DEIS. Because it is speculative, the projections do not include estimates of the any potential increment that might be generated by non Project properties.

Comment TIF-6:

2. How much of the anticipated property tax revenue (dollar amount) is from the SFC development, and how much from other property in the TIF district, broken down on a yearly basis for the next 20 years? Give a breakdown for each Phase I component: River Park Center, Parcels H&I, Cacace Center, Larkin Plaza, etc.

(Michael Sabatino, Resident, E-mail, 5/13/2008)

Response TIF-6:

The projections of future incremental tax revenue are based only on the properties that will be redeveloped as part of the Project.

Comment TIF-7:

3. How much of the anticipated property tax revenue (in dollar amounts) on a yearly basis will go to pay the TIF bonds, and how much will revert to the city?

(Michael Sabatino, Resident, E-mail, 5/13/2008)

Response TIF-7:

The projected incremental tax revenues that will go toward paying the debt service on the TIF bonds are shown on Schedule IX of Appendix D to the Tax Increment Financing Feasibility Study in Appendix 1F of the DEIS. The projected incremental tax revenues that will be available to the City are shown on Schedule XIII of Appendix D to the Tax Increment Financing Feasibility Study in Appendix 1F of the DEIS. Note that this amount will be in addition to the City property taxes generated (currently estimated at \$406,000 per year) from the current assessed value of the properties. Note that the tax generated from the base assessed value is also projected to increase based on the same 4% projected increase in annual tax rates.

Comment TIF-8:

5. As per the Blackstone report, will the City be responsible for paying any shortfall between the property tax revenues and the TIF bond payments?

(Michael Sabatino, Resident, E-mail, 5/13/2008)

Response TIF-8:

The City will not be responsible for making up any shortfall between the incremental tax revenue generated by the Project and the debt service on the Tax Increment Bonds. The bonds will not be backed by the full faith and credit of the City. It should be noted that the Applicant has committed to providing a "backstop" to cover debt service shortfalls.

Comment TIF-9:

6. What happens if the property tax revenue is not enough to cover the TIF bond payments? Will the city be forced to raise property taxes to cover the difference?

(Michael Sabatino, Resident, E-mail, 5/13/2008)

Response TIF-9:

The Applicant will "backstop" the debt service on the Tax Increment Bonds. Although the form and substance of the "backstop" have not yet been finalized, it is anticipated that it will be an agreement by the Applicant to pay a minimum amount of tax (and/or payments in lieu of tax) sufficient to service the debt. The agreement will be secured by a lien on the Project parcels. See Response TIF-8.

Comment TIF-10:

1. I would like to see a specific breakdown of ALL infrastructure costs that would be covered by the TIF bonds: sewer upgrades, roads, parking structures, etc. on a parcel by parcel and street by street basis.

(Michael Sabatino, Resident, E-mail, 5/13/2008)

Response TIF-10:

The Municipal Redevelopment Law provides in pertinent part that Tax Increment Bonds may be issued to finance the costs of “installation, construction or reconstruction of streets, walkways, docks, drainage, parking facilities, flood control facilities, water and sewer systems and other public utilities, parks and playgrounds” and “other public improvements or services integral to the redevelopment plan” and these improvements are not expressly limited to the project area. All of the public improvements and infrastructure proposed to be funded through Tax Increment Financing are needed for the development of the Project. However, these improvements will benefit all of the City’s downtown, and not just the Applicant’s Project. Ellana Inc./Bluestone Developers Construction Cost Consultants, the City’s consultant, has prepared an estimate of the costs for the construction of the public improvements proposed to be funded through Tax Increment Financing. A line-item budget estimate is included in Appendix I of this FEIS. For a list of improvements and the Applicant’s cost estimates for those improvements, see Responses LA-26, III.I-236.

Comment TIF-11:

1. How much property tax revenue (dollar amount) is estimated for the TIF district for each year over the next 20 years, from start of construction?

(Aileen Kilcommon, Yonkers Rowing and Paddling Club, Letter, 5/19/2008)

Response TIF-11:

See Response TIF-5.

Comment TIF-12:

2. How much of the anticipated property tax revenue (dollar amounts) is from the SFC development, and how much from other property in the TIF district, broken down on a yearly basis for the next 20 years? Give a breakdown for each Phase I component: River Park Center, Parcels H&I, Cacace Center, Larkin Plaza, etc.

(Aileen Kilcommon, Yonkers Rowing and Paddling Club, Letter, 5/19/2008)

Response TIF-12:

See Response TIF-6.

Comment TIF-13:

3. How much of the anticipated property tax revenue (dollar amounts) on a yearly basis will go to pay the TIF bonds, and how much will revert to the city?

(Aileen Kilcommon, Yonkers Rowing and Paddling Club, Letter, 5/19/2008)

Response TIF-13:

See Response TIF-7.

Comment TIF-14:

5. As per the Blackstone report, will the City be responsible for paying any shortfall between the property tax revenues and the TIF bond payments?

(Aileen Kilcommon, Yonkers Rowing and Paddling Club, Letter, 5/19/2008)

Response TIF-14:

See Response TIF-8.

Comment TIF-15:

6. What happens if the property tax revenue is not enough to cover the TIF bond payments?

(Aileen Kilcommon, Yonkers Rowing and Paddling Club, Letter, 5/19/2008)

Response TIF-15:

See Response TIF-8.

Comment TIF-16:

7. Give a specific breakdown of ALL infrastructure costs that would be covered by the TIF bonds: sewer upgrades, roads, parking structures, etc. on a parcel by parcel and street by street basis.

(Aileen Kilcommon, Yonkers Rowing and Paddling Club, Letter, 5/19/2008)

Response TIF-16:

See Response TIF-10.

Comment TIF-17:

Determine and outline the anticipated review/approval schedule. The important role of the Westchester County Board of Legislators and the Westchester County Planning Board in the process of creating the foundation for the SFC development projects is not readily apparent in the draft EIS text and tables. A timetable should be prepared outlining a sequence of already taken actions and anticipated actions by all parties that are expected to take action to realize the proposal as presented in the draft EIS. We note that submission of legislation to the Board of Legislators, the convening of a public hearing and the referral to the County Planning Board will require time and attention. Each board, and the county administration, will expect to have all information requested as part of the county's review of the draft EIS on hand before taking any action. More detail must be provided on the meaning, implementation and commitments of the proposed "joint undertaking."

*(Westchester County Planning Board, Westchester County, Letter, 5/29/2008, Page 4;
Westchester County Department of Planning, Westchester County, Letter, 5/29/2008 (C66))*

Response TIF-17:

As noted, the proposal is for the County to engage in a “joint undertaking” with the City under Article 18-C of the General Municipal Law (the “Municipal Redevelopment Law”). A joint undertaking is the joint exercise by two more municipalities of the powers granted under the Municipal Redevelopment Law to create and administer a Municipal Redevelopment Project. The process by which a joint undertaking is established is set forth in General Municipal Law Section 970-n, which provides, among other things, that the legislative bodies of two or more municipalities may each by resolution designate the legislative body of one municipality to act as agent for the others. Here, the City of Yonkers is proposed to be the County’s agent.

It is important to keep in mind that strictly speaking, the joint undertaking is with regard to a Municipal Redevelopment Project under the Municipal Redevelopment Law. The program of Tax Increment Financing that is proposed for the Project is a program expressly authorized in connection with a Municipal Redevelopment Project, and can only be utilized in connection with a duly established Municipal Redevelopment Project. The process by which a Municipal Redevelopment Project is created is therefore the process by which a proposed program of Tax Increment Financing is approved.

The process by which a Municipal Redevelopment Project is created by one municipality acting as agent for another is set out at length in the Municipal Redevelopment Law, and generally consists of four principal steps: first, a study is conducted to determine whether a Municipal Redevelopment Project is warranted and feasible; second, if a redevelopment project is determined to be feasible, the boundaries of the “project area” (which is commonly referred to the “TIF District”) are determined; third, a “preliminary plan” for the redevelopment project is approved; and fourth, a final “redevelopment plan” for the project is approved.

The City approved a feasibility study, determined the boundaries of the proposed Municipal Redevelopment Law project area and authorized the preparation of preliminary plan on April 22, 2008. If the County agrees to a joint undertaking, the next major steps in the process would be as follows:

1. The preliminary plan would be referred by the City Council to the City Planning Board and to the Westchester County Planning Board for review and report.
2. The preliminary plan (as it may have been revised in response to the comments of both Planning Boards) would then be presented to the City Council and Westchester County Board of Legislators for approval.
3. If the preliminary plan is approved by both legislatures, a final “redevelopment plan” would be prepared.
4. The redevelopment plan would be referred by the City Council to the City Planning Board and Westchester County Planning Board for review and recommendation.
5. Public Hearing: The redevelopment plan (as it may have been revised in response to the comments of both Planning Boards) would then be presented to the City Council and Westchester County Board of Legislators for required public hearing and approval.

6. Assuming that the redevelopment plan calls for the issuance of Tax Increment Bonds, then the City Council would authorize the issuance of the bonds and irrevocably pledge the City's tax increment to the repayment of the bonds, and the Westchester County Board of Legislators would irrevocably pledge the County's tax increment to the repayment of the bonds.

The Municipal Redevelopment Law sets out only two time periods within the process – the respective Planning Boards of the City and County would have thirty days after the submission of the redevelopment plan to them to within which to render their report and recommendation, and notice of the public hearing required to be held by each legislature on the redevelopment plan must be posted and published not less than three weeks prior to the hearing.

It is not currently proposed that the County have any obligations or commitments under the redevelopment plan except for the pledge of its tax increment to the repayment of the Tax Increment Bonds issued by the City.

Comment TIF-18:

2. Delineate the city's role as "agent". The city's role as "agent" under the Municipal Redevelopment Law needs to be delineated. Would Yonkers issue TIF bonds' on behalf of the county? What assurances and indemnities is the agent offering the county? What is meant by the "joint undertaking" by the city and county and what does it involve?

*(Westchester County Planning Board, Westchester County, Letter, 5/29/2008, Page 4;
Westchester County Department of Planning, Westchester County, Letter, 5/29/2008 (C66))*

Response TIF-18:

The City would not issue Tax Increment Bonds "on behalf of" the County. The Tax Increment Bonds would be debt obligations of the City. However, the County would irrevocably pledge its tax increment to the repayment of the Tax Increment Bonds. See also Response TIF-17.

Comment TIF-19:

Provide development expectations for included parcels. The proposed Redevelopment Area encompasses 46 acres beyond the SFC development sites. Why are these additional parcels included at this time as the Preliminary Redevelopment Plan does not appear to directly provide development discussions for this additional land area? We are also concerned that while the draft EIS is limited to addressing potential impacts from development on the SFC sites, the Preliminary Redevelopment Plan states that the draft EIS is a sufficient basis to provide SEQR compliance for adoption of the plan. The extent of, and justification for, the Redevelopment Area boundaries should be discussed at greater length.

*(Westchester County Planning Board, Westchester County, Letter, 5/29/2008, Page 4-5;
Westchester County Department of Planning, Westchester County, Letter, 5/29/2008 (C66))*

Response TIF-19:

The redevelopment area includes parcels not currently proposed to be redeveloped as a part of the SFC Project, but which the City Council has determined warrant inclusion in a

redevelopment project area based on the factors set forth in the Municipal Redevelopment Law and discussed in the feasibility study approved by the Council on April 22, 2008. At this time, there are no specific plans for redevelopment of these other parcels, although plans may be developed in the future. Because the parcels are within the project area, any incremental additional taxes which might be generated by future redevelopment of the parcels would be allocated to the debt service on the Tax Increment Bonds. Because future redevelopment of these other parcels is speculative, the Tax Increment Bonds will be sized and underwritten without consideration of any incremental additional revenues which might be generated by these parcels in the future.

Comment TIF-20:

4. Describe the extent of the "tax increment financing district (TIF)." The draft EIS uses several terms that presumably refer to the same geographic area, e.g. Municipal Redevelopment Project Area Boundary, tax increment financing district, designated project area and study area. This creates confusion where clarity and specificity is required. Do these terms refer to same grouping of tax lots? If not, what is the difference? Will all parcels included in the Municipal Redevelopment Project Area Boundary be subject to the tax increment financing provisions?, Maps and diagrams of the relevant areas should be provided.

*(Westchester County Planning Board, Westchester County, Letter, 5/29/2008, Page 5;
Westchester County Department of Planning, Westchester County, Letter, 5/29/2008 (C66))*

Response TIF-20:

Please refer to Exhibit II-1 in Appendix 1.F of the DEIS and Exhibit III-2 in this FEIS. The correct term under the Municipal Redevelopment Law is "project area." The terms "TIF District" and "Municipal Redevelopment Area" refer to the same project area. Other areas were studied in the DEIS for other purposes and do not necessarily correspond to the "project area" established under the Municipal Redevelopment Law. All parcels in the project area will be subject to the Tax Increment Financing program.

Comment TIF-21:

5. Provide additional property details. A review of the included properties raises questions which should be addressed. Are there any properties that the city, or any other governmental agency such as parking authority, intends to take under eminent domain or through an urban renewal process? Who are the current owners of properties in the "blighted" area? When was the last time these properties transferred ownership?

*(Westchester County Planning Board, Westchester County, Letter, 5/29/2008, Page 5;
Westchester County Department of Planning, Westchester County, Letter, 5/29/2008 (C66))*

Response TIF-21:

The Applicant has at significant expense obtained control of most of the private parcels that together comprise the development sites, and is the designated redeveloper of the parcels owned by the City and by the Yonkers Community Development Agency. The Applicant's efforts to obtain control of the few remaining parcels of private property needed for the Project are

continuing. However, the Master Developer Designation Agreement between the Applicant and the City provides that if despite good faith efforts the Applicant is unable to acquire the parcels, then the City (or the Yonkers Community Development Agency or Yonkers Industrial Development Agency) will consider condemnation of the parcels. Because discussion with the property owners are on-going and because the City has not yet decided to condemn any property (which could only happen, if at all, upon the completion of required procedures under the Eminent Domain Procedure Law and after the SEQRA review of the Project is completed), it is not appropriate to identify the parcels at this time.

Comment TIF-22:

1. Provide comprehensive list of proposed public improvements. The EIS and the preliminary Redevelopment Plan should be revised to include a list that identifies each proposed public improvement, provide a concise description, identifies estimated cost, identifies responsible party for implementation and identifies if the cost of the improvement (or a percentage thereof) is proposed to be funded through the tax increment financing program. If public improvements are proposed to be made outside of the tax increment financing district, the EIS and the preliminary Redevelopment Plan should identify such improvements and explain how they are proposed to be funded? Are TIF funds permitted to be used in such situations? Is the TIF to provide funding for future public improvements that are not related to the SFC development proposals?

(Westchester County Planning Board, Westchester County, Letter, 5/29/2008, Page 5; Westchester County Department of Planning, Westchester County, Letter, 5/29/2008 (C66))

Response TIF-22:

The Municipal Redevelopment Law provides in pertinent part that Tax Increment Bonds may be issued to finance the costs of “installation, construction or reconstruction of streets, walkways, docks, drainage, parking facilities, flood control facilities, water and sewer systems and other public utilities, parks and playgrounds” and “other public improvements or services integral to the redevelopment plan” and these improvements are not expressly limited to the project area. All of the public improvements and infrastructure proposed to be funded through Tax Increment Financing are needed for the development of the Project. However, these improvements will benefit all of the City’s downtown, and not just the Applicant’s Project. Ellana Inc./Bluestone Developers Construction Cost Consultants, the City’s consultant, has prepared an estimate of the costs for the construction of the public improvements proposed to be funded through Tax Increment Financing. That estimate is included in Appendix I of this FEIS. For a list of improvements and the Applicant's cost estimates for those improvements, see Response LA-26.

Comment TIF-23:

Our review of the text explaining the basis, implementation and operation of tax increment financing found it to be incomplete and not presenting an easy-to-understand proposal for a county role and commitment. We recommend that this concept, its administration and its obligations on all participants be presented in greater detail. Without the availability of additional

information, we question how possible it will be for governments to make critical decisions over involvement.

(Westchester County Planning Board, Westchester County, Letter, 5/29/2008, Page 6)

Response TIF-23:

The DEIS discusses Tax Increment Financing in Chapter III.I and Appendix 1.F. The DEIS also includes the Tax Increment Financing Feasibility Study (“survey area study”) approved by the City on April 22, 2008, which discusses the proposed Tax Increment Financing and contains Tax Increment Bond projections (see Appendix 1.F). See also Responses TIF-17, TIF-18.

Comment TIF-24:

1. Discuss status of Redevelopment Plan. As described in the draft EIS, the Redevelopment Plan is to serve as the plan for development of the redevelopment area. Logically, the draft of the preliminary redevelopment plan should be circulated, reviewed and commented on before reviews and comments are made on individual development sites. The draft EIS de-emphasizes the role of this plan and of the roles of agencies identified as required to review and to adopt the plan.

*(Westchester County Planning Board, Westchester County, Letter, 5/29/2008, Page 7;
Westchester County Department of Planning, Westchester County, Letter, 5/29/2008 (C66))*

Response TIF-24:

On April 22, 2008, the City Council authorized the preparation of the “preliminary plan” for the proposed redevelopment project. The preliminary plan has not yet been submitted to the City Council or approved by the City Council or County Board of Legislators (and therefore the final “redevelopment plan” has not yet been prepared). However, it is important to recognize that at this time, the only redevelopment project proposed for the project area is the SFC Project analyzed in the DEIS and this FEIS. See also Response TIF-17.

Comment TIF-25:

2. Identify relationship between new uses and parking demand. The overall development is described as taking credit for shared parking so as to reduce the parking requirement under existing zoning requirements. This fact makes it appear that the proposed parking is being constructed to specifically fit the parking needs of the proposed retail and commercial tenants of the project. In almost all situations, this type of parking provision is considered an integral and required part of a private development proposal. It is not clear why the provision of such parking facilities requires, or is eligible for, public funding assistance. The EIS should address this aspect.

*(Westchester County Planning Board, Westchester County, Letter, 5/29/2008, Page 15-16;
Westchester County Department of Planning, Westchester County, Letter, 5/29/2008 (C66))*

Response TIF-25:

See Response III.E.1-17.

Comment TIF-26:

5. Discuss impact of tax exempt properties and tax certioraris. We performed an analysis of the tax parcels that the draft EIS identifies as being within the tax increment financing district. We found that 110 parcels are currently Exempt Parcels. We also did a sampling of properties in TIF district to see if any tax certioraris have been paid in the last three years. We found those properties sampled had tax certs filed on them for an average of 35% reduction in assessed value. The EIS should have a discussion of the impacts of these findings and how the city will be able to guarantee the base property taxes in the TIF area.

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 4)

Response TIF-26:

To be conservative, the amount of Tax Increment Bonds will be limited to the amount that can be serviced from the tax increment generated by the Project parcels, and not by other parcels in the project area, and from the net parking revenues (after payment of costs of operation) from the new public parking facilities that are a part of the Project. The base tax revenues of the Project parcels and all other parcels in the project area will continue to be received by the City and County even after the Tax Increment Financing program is implemented, and will not be used to service Tax Increment Bond debt.

Comment TIF-27:

6. Describe the calculation of base value. Are all of the TIF district properties included in the Phase I projection when determining the base value? Where did the base value of \$658,840 come from on page 13 of bond projection documents? As we are not able to agree with the assessed values on properties shown, what was the source of the information? When will the "baseline" for the calculation of the incremental tax revenue be set?

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 4)

Response TIF-27:

The base value is "the amount [of taxes] which would be produced by applying the rate upon which the tax is levied each year by or for each municipality to the total sum of the assessed value of the taxable real property in the project area as shown upon the assessment roll used in connection with the taxation of such property by such municipality, last adopted prior to the effective date of the resolution approving [the redevelopment plan]." The base value in the Tax Increment Bond projections in the DEIS is only for the Project parcels, and not other parcels in the "project area." The base values were based on the most recent tax records at the time the calculation was prepared.

Comment TIF-28:

7. Discuss potential for Merged Tax Increment District. There are several discrete project areas included within the redevelopment zone. Some are income producing and some would be

considered more in the category of providing amenities. Are the different areas to be considered a Merged Tax Increment district? The merged status would assure that all values created within the district would be subject to the repayment of the bonds in the first instance.

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 4-5)

Response TIF-28:

There is only one “project area” for the purposes of the Municipal Redevelopment Law. See also Response TIF-19.

Comment TIF-29:

9. Describe proposed administration of tax increment financing district. The staffing and administration necessary to operate the tax increment financing district must be identified, including identification of the responsible agency and projected costs and sources of funding.

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 5)

Response TIF-29:

The Tax Increment Financing program will administered by the City’s Department of Finance and Management Services without additional staffing. The Tax Increment Bond projections include an annual cost for administration by the City and the bond trustee. This cost is shown on the debt service schedule of the Tax Increment Bond projections as trustee and administrative fees.

Comment TIF-30:

1. Provide a project pro-forma for the term of the TIF Bonding. As the viability of the development hinges on the utilization of TIF as the financing mechanism for the public infrastructure to support this development, it is requested that the developer provide a pro forma for the anticipated timeframe from project start to satisfaction of the TIF of the project, showing sources and uses of funds for all components of the project including repayment of debt, TIF bonds, debt service, taxes, fees, PILOTs and mitigation set-asides for rehabilitation of housing and retail buildings, affordable housing and amelioration of any determined impacts. The pro-forma should include full project costs. In its sources, the pro-forma should detail applicable grants and abatements from any agencies, federal and state, and public authorities (such as an industrial development agency). All cost factors (such as inflation, interest rates) should be justified.

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 6)

Response TIF-30:

The Applicant’s pro forma for the Project contains proprietary information the disclosure of which could harm its competitive position. Therefore, the pro forma will not be provided as part of the DEIS or FEIS. However, the Applicant acknowledges that some of the financial information requested in the comment is relevant to the County’s determination whether to participate in the Tax Increment Financing, and will provide the information to the appropriate County officials upon request and subject to certain confidentiality requirements.

Comment TIF-31:

2. Define nature and level of tax increment pledge. Prior to committing a stream of revenue to support the proposed bonds, the county must be comfortable that the projected revenue level is actually attainable. This can be best accomplished by issuing debt only after the revenue flow has been realized. During the project's early years, it may be appropriate for the developer to provide appropriate credit support. Will the owners of properties in the TIF district pledge, to the extent legally possible, not to appeal assessments in order to reduce their property tax payments?

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 6)

Response TIF-31:

The Tax Increment Bond projections are based upon the pledge of 75% of the City and County tax increment generated by the Project parcels to debt service on the Tax Increment Bonds. The Tax Increment Bonds will also be paid from the net parking revenues (after payment of costs of operation) from the new public parking facilities that are a part of the Project. The underwriters of the Tax Increment Bonds will require a feasibility study to be performed to confirm the reasonableness of the projections, and this study will be shared with the County. The Applicant has agreed to "backstop" the debt service on the Tax Increment Bonds, although the form and substance of the backstop have not yet been finalized. Property owners in the project area will not be asked to give up their statutory right to challenge assessments.

Comment TIF-32:

3. Adjust debt service schedule. In the Socio-economic Conditions section on page I-85, it is noted that the debt service would increase over the life of the issue. As it is unusual for tax increment bonds to have upward sloping debt service and as the market expects to see flat debt service schedules, why is this present?

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 6)

Response TIF-32:

It is not unusual for Tax Increment Bonds to have debt service that increases over the life of the bonds when there is a developer "backstop."

Comment TIF-33:

4. Define "backstop" measures. The draft EIS states that the Redeveloper has agreed to "backstop" the debt service on the bonds and will secure its obligation by providing the kind of security that is typical and customary in connection with tax increment bonding. Describe what this will be.

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 7)

Response TIF-33:

Although the form and substance of the “backstop” have not yet been finalized, it is anticipated that it will be an agreement by the Applicant to pay a minimum amount of tax (and/or payments in lieu of tax) sufficient to service the debt. The agreement will be secured by a lien on the Project parcels.

Comment TIF-34:

5. Define responsible party for payment of TIF bonds. Who is ultimately responsible for the payment of the TIF bonds in this project? Is it the tax district or the individual developer of the property?

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 7)

Response TIF-34:

The Tax Increment Bonds will be paid from 75% of the real property tax increment generated in the project area, and from the net parking revenues (after payment of costs of operation) from the new public parking facilities that are a part of the Project. The City will be responsible for paying the Tax Increment Bonds, and the Applicant will backstop the debt service.

Comment TIF-35:

6. Identify responsible party for issuance costs of bonds. The draft EIS names the city as the issuer of the TIF bonds. Although Section 970-o provides for municipalities to issue TIF bonds, it is our understanding that this is not the usual process that has been applied across the country. Who will be responsible for the issuance costs?

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 7)

Response TIF-35:

It is anticipated that all issuance costs will be paid from the proceeds of the Tax Increment Bonds.

Comment TIF-36:

7. Define project without county participation. Page IV-I in Appendix 1.F states that if the county does not participate in tax increment financing, then the amount of bonding will be adjusted so that debt service can be supported solely from the city tax increment and the revenues from public parking. A description of the project without county participation should be provided.

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 7)

Response TIF-36:

See Responses TIF-5, TIF-88.

Comment TIF-37:

8. Explain surplus in bond projections. On page 17 of the bond projections, a surplus is shown in years 2018-2038 for both the city and the county. What are the conditions on the surplus, if any?
(*Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 7*)

Response TIF-37:

There are no conditions on the use of the surplus. Under the Municipal Redevelopment Law, whenever the total amount of real property taxes subject to allocation for Tax Increment Bond debt service exceeds the amounts allocated and paid, then “the amount of taxes in excess of such amounts shall be paid into the funds of the respective municipalities as taxes on all other real property are paid,” and can be used for any permissible governmental purpose. Surplus will not be set aside for any purpose prior to paying it to the City and County.

Comment TIF-38:

9. Identify anticipated timing of tax payments. The projected payment of debt service is not clear from Schedule XIII. What is the timing (month/year) of the first time that the county's portion of taxes would go toward TIF? We note that Yonkers remits 60% of property taxes to the county in May and 40% in October.

(*Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 7*)

Response TIF-38:

Taxes in the project area would be paid at the same time and in the same manner as taxes outside the project area. Municipal bond debt service is typically paid semi-annually. The Tax Increment Bond issuance date and all of the projections for the Tax Increment Bonds including debt service schedules are subject to change based on the final approvals for the Project, market conditions at that time, and underwriting requirements. However, it is anticipated that the first three semi-annual debt service payments would be made from capitalized interest funded from bond proceeds.

Comment TIF-39:

10. Specifically address authority to access school district property tax. Appendix I.F notes that "statute does not permit school taxes to be allocated to the tax increment" but also states that there is an exception for the "big five" cities of the state. That exception is not clear. Does the City of Yonkers require State legislation in order to access the school district property tax? Can the project continue without access to the school district portion of the TIF?

(*Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 7*)

Response TIF-39:

The Municipal Redevelopment Law permits the real property tax levied by a municipality to be captured and allocated to Tax Increment Bond debt service, but not a tax levied by a separate school district. In only five cities in the State – New York City, Buffalo, Rochester, Syracuse and Yonkers – are schools supported by city taxes and not separate school district taxes. Special State

legislation is not required for the City to access the “school portion” of the City tax. If the school portion of the City tax cannot be allocated to Tax Increment Bond debt service, the amount of the bonds will be inadequate to fund the public improvements and infrastructure needed for the Project.

Comment TIF-40:

11. Address tax-exempt status of bonds. Will any of the bonds be tax-exempt? If so, are any arbitrage issues foreseen?

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 7)

Response TIF-40:

The Tax Increment Bonds will be used to pay costs of public improvements and infrastructure, and will be tax exempt. The Tax Increment Bonds will be subject to all applicable Internal Revenue Code arbitrage regulations, and no issues are foreseen.

Comment TIF-41:

13. Identify links between TIF and parking authority revenues. How does the Yonkers parking authority and the revenues from the parking structures flow to the project? How much of the parking revenues will be pledged to the TIF bonds? We note that parking revenues are rarely, if ever, pledged to the repayment of a TIF. The additional pledge of the parking revenues may complicate the pledge for the bonds. This aspect should be addressed as should the alternative of a separate parking revenue bond. We also note that the monthly parking fee is assumed to be \$75. Is that reasonable?

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 7-8)

Response TIF-41:

The precise financial structure for the Tax Increment Bonds has not yet been determined. However, it is currently anticipated that 100% of the net parking revenues (after payment of costs of operation) of the public parking facilities at the Project will be devoted to debt service. It is not unusual for parking revenues to be combined with tax revenues for a Tax Increment Bond issue. A separate bond issue by the Yonkers Parking Authority would add significant additional issuance costs and is not needed. A common use of tax increment financing is to help pay for parking, as parking is needed in downtown locations and typically does not produce sufficient revenues to cover its costs. Parking revenues are applied first to cover the costs of operations of the parking facilities, including appropriate reserves, and will then be applied to pay debt service on the Tax Increment Bonds.

Comment TIF-42:

14. Identify debt structure. How will the debt be structured?

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 8)

Response TIF-42:

The Tax Increment Bonds will be paid from 75% of the real property tax increment generated in the project area, and from the net parking revenues (after payment of costs of operation) from the new public parking facilities that are a part of the Project. The debt structure is shown in the Tax Increment Bond projections in DEIS Appendix 1.F.

Comment TIF-43:

15. Discuss "cost of services." The section How do TIFs Work states that the TIF will pay the Cost of Services (for the projects). The Cost of Services must be defined as this item could be a significant drain on the cash flow for repayment of the bonds.

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 8)

Response TIF-43:

The base tax collected from the project area and 25% of the City tax increment and County tax increment will be available for general use by the City and County, respectively. Special benefit/district assessments of the City and County are not captured for Tax Increment Bond debt service and will continue to be paid. The Applicant's consultants have concluded that this revenue stream is sufficient to pay for the costs of services to the Project.

Comment TIF-44:

The MuniCap, Inc. study was prepared on November 8, 2006. All of the values and levels should be updated to today's market environment.

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 8)

Response TIF-44:

The Tax Increment Bond underwriters will require all projections to be updated prior to issuance of any bonds. Updated projections will be shared with the County.

Comment TIF-45:

The MuniCap study on page 1 has the bond coupon rate at 6.25%. What does this rating level assume? The yield curve is a steeper now and the cost may be considerably higher for what would appear to be on its face in the BBB category.

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 8)

Response TIF-45:

The Tax Increment Bonds are assumed to be unrated. The 6.25% rate was a reasonable estimate at the time the DEIS was accepted. The Tax Increment Bond underwriters will require all projections, including the estimated coupon rate, to be updated prior to issuance of any bonds. Updated projections will be shared with the County.

Comment TIF-46:

Construction costs have escalated appreciably since 2006. This should be taken into account.

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 8)

Response TIF-46:

Comment Noted. The cost projections for the construction of the public improvements will be updated before the Tax Increment Bonds are issued. However, it should be noted that the maximum amount of the Tax Increment Bonds will not exceed \$200,000,000 regardless of the total cost of the public improvements.

Comment TIF-47:

A contingency of \$7.57 million, as stated on page 2, appears low. A more appropriate contingency, subject to the advice of a consulting engineer, would be more in the range of 10% of the hard costs.

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 8)

Response TIF-47:

Comment Noted. The contingency amount will be determined before the Tax Increment Bonds are issued based on underwriting requirements.

Comment TIF-48:

On page 10, a high capitalization rate of 10% is presented. At this time, capitalization rates are more in the range of 6%. This should be addressed.

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 8)

Response TIF-48:

The capitalization rates are “fully loaded” rates, which means they include the tax rates (property taxes are not deducted with expenses). These rates represent the rates that would be used by the City Assessor to value property and are based on interviews with the Assessor. The Tax Increment Bond projections include schedules showing these calculations. It should be noted that the capitalization rate on the hotel is higher than for the retail or residential components of the Project.

The estimates of revenues to repay the bonds are very important. Property taxes on all property in the SFC development, other than for sale homes, will be determined by a full tax agreement, which will be required prior to the issuance of bonds. Additionally, the disclosure for the bonds will require a study to be prepared providing estimates of tax increment revenues (and payments pursuant to the full tax agreements) and the values on which the revenues will be based. Additionally, the developer will be required to agree to provide credit support to ensure total revenues, property tax increment revenues, payments under the tax agreements, and net parking revenue are sufficient to repay the bonds. The credit support is required because it is not possible to know with certainty in advance how properties will be valued or the revenues that will be

produced. These procedures are required because of the importance of the revenue stream and thoroughly address the uncertainty in the estimates.

The tax increment projections do include line items showing the components used to arrive at net operating income. Industry practitioners do typically subtract expenses in arriving at NOI. The assessor, however, estimates assessed values; accordingly, it is the practice of the assessor that is relevant to the estimate of assessed value. The methodology employed by the assessor is to account for property taxes in the cap rate, not as a deduction in arriving at NOI. The methodology should be neutral with regards to the calculation of value. The following table provides an example (simplified to illustrate the issue in question):

	Market Cap Rate	Fully Loaded Cap Rate
Rent	\$100	\$100
Effective property tax rate	2.0%	2.0%
Less: Expenses (property taxes)	(\$20)	NA
NOI	\$80	\$100
Cap rate	8.0%	10.0%
Value	\$1,000	\$1,000

Comment TIF-49:

The Tax Equalization rate used is the 2006 figure. The rate has changed from 2.94% to 2.27% for 2007.

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 8)

Response TIF-49:

The Tax Increment Bond underwriters will require all projections to be updated prior to issuance of any bonds. Updated projections will be shared with the County.

Comment TIF-50:

The reinvestment rate is identified as 4%. Is this typical? What is safety of the investments assumed to be used for these funds?

(Westchester County Department of Planning, Westchester County, Letter, 5/29/2008, Page 8)

Response TIF-50:

Bond proceeds are invested in securities guaranteed by the US government (including investment agreements secured by such securities). Four percent would be appropriate for the debt service reserve fund, but is currently high for the capitalized interest account and the improvement. The

Tax Increment Bond underwriters will require all projections to be updated prior to issuance of any bonds. Updated projections will be shared with the County.

Comment TIF-51:

I would like to see a specific breakdown of the cost, the infrastructure costs that would be covered by the TIF bond, sewer upgrades, roads, parking structures on a parcel by parcel basis, on a street by street basis.

(Deane Prouty, Resident, Public Hearing, 5/13/2008, Page 37)

Response TIF-51:

See Response TIF-10.

Comment TIF-52:

The TIF dream just is a way of saddling Yonkers with another crippling debt. Would you buy those bonds? That is why you have to put on the brakes.

(Barrymore Scherer, Public Hearing, 5/13/2008, Page 45-46)

Response TIF-52:

Comment Noted.

Comment TIF-53:

Finally, there is the economic benefit, and obviously all the residents of the city are hoping that there will be an economic benefit from this plan. I am not certain that we have enough information before us in the DEIS to know if this is in fact the reality. If we go ahead with the proposed TIF plan, 75 percent of the incremented real estate taxes is going-- let me just say one thing. Everyone has talked about White Plains. White Plains is increasing its sale tax by a quarter of a percent effective June 1st. Its property taxes are going up by 4.9 percent, so if all the development was such a great deal, what happened there? And I urge the Council to get an independent consultant. Look at the numbers. Look at the experience of other cities such as White Plains. Thank you.

(Nan Beer, Resident, Public Hearing, 5/13/2008, Page 98-99)

Response TIF-53:

Comment noted. The City Council has independent planning and economic consultants examining the issues.

Comment TIF-54:

One question I asked, and I hope will be answered eventually in the EIS, the City has needs for infrastructure on the west side, of course, and the TIF will certainly go to that, but what cost will there be in areas? Southeast Yonkers is an area such as that.

(Kevin Gorman, Public Hearing, 5/13/2008, Page 116)

Response TIF-54:

Comment Noted. At this time, Tax Increment Financing is proposed only for construction of public improvements and infrastructure in connection with the SFC Project.

Comment TIF-55:

Our downtown is our oldest area of the city and the infrastructure is in need of repair. To create this new expanded development, we need to build our infrastructure such as new roads, sewers and water lines. TIF's has been successfully used in other states. These infrastructure costs will be financed with public bonds and a percentage of the new property taxes will be used to pay for it. It seems to be an acceptable way of enabling the City to update its old infrastructure to handle the new development.

(John Larkin, Representative, Nepera Park Grey Oaks Neighborhood Association, Public Hearing, 5/13/2008, Page 123)

Response TIF-55:

Comment Noted.

Comment TIF-56:

The TIF itself is listed rather vaguely as more than 160 million. I would like to know how much more, but we don't know what the cost of this bridge will be. It needs to be pulled out. It is an expensive item. It should not be just lumped in as infrastructure.

(Gail Averill, President, Park Hill Land Conservancy, Inc., Public Hearing, 5/13/2008, Page 187)

Response TIF-56:

The total amount of Tax Increment Bonds is anticipated to be approximately \$200,000,000, of which approximately \$160,000,000 will be available to pay the costs of construction of public improvements and infrastructure. Given concerns expressed by area residents and others, as well as cost factors, the new Prospect Street bridge has been eliminated from the Project. These concerns include issues of safety, security and traffic congestion for residents of the Scrimshaw House, and issues of potential impacts on the children's playground and parents' ability to drop-off their children at the Queen's Daughter daycare facility.

Comment TIF-57:

I have some questions about the TIF, how much property tax revenue dollar amount is estimated for the TIF district for each year over the next 20 years from the start of construction?

(Deirdre Hoare, Resident, Public Hearing, 5/13/2008, Page 195-196)

Response TIF-57:

See Response TIF-5.

Comment TIF-58:

How much of the anticipated property tax revenue in dollar amounts is from the SFC development, and how much from the other property in the TIF District, broken down on a yearly basis for the next 20 years.

(Deirdre Hoare, Resident, Public Hearing, 5/13/2008, Page 196)

Response TIF-58:

See Response TIF-6.

Comment TIF-59:

Give a breakdown for each Phase I component; River Park Center, Parcel H and I, Cacace Center, Larkin Plaza. How much of the anticipated property tax revenue in dollar amounts on a yearly basis will go to pay the TIF bonds and how much will revert to the City?

(Deirdre Hoare, Resident, Public Hearing, 5/13/2008, Page 196)

Response TIF-59:

See Response TIF-7.

Comment TIF-60:

As per the Blackstone report, will the City be responsible for paying any shortfall between the property tax revenues and the TIFP bond payments. What happens if the property tax revenue is not enough to cover the TIF bond payments? Will the City be forced to raise property taxes to cover the difference?

(Deirdre Hoare, Resident, Public Hearing, 5/13/2008, Page 196-197)

Response TIF-60:

See Response TIF-8.

Comment TIF-61:

If when the final design proposal is funded, the two residential towers are not financially feasible, how does that impact the repayment of the TIF bonds, since the bond monies go in first and are to be repaid based on expected tax revenues?

(Sharon Ebert, Deputy Commissioner of Planning and Development, City of Yonkers, E-mail, 5/22/2008, Page 2)

Response TIF-61:

Subject to underwriting requirements, it is anticipated that the Tax Increment Bonds will be “phased” to ensure that the debt service on the bonds at any point does not exceed available revenues from the Project.

Comment TIF-62:

How long do we anticipate it would take before the assessed value is increased in the TIF district? Will the City be responsible to assess the land once built?

(Patricia McDow, City Council Member, City of Yonkers, Letter, 5/30/2008)

Response TIF-62:

It is currently envisioned that construction of all three Project components (Palisades Point, River Park Center, and Cacace Center) would be built concurrently. The City would establish the assessed value. Based on anticipated phasing of the Project, it is currently projected that an increment will first be generated approximately 18 months after the issuance of the bonds.

Comment TIF-63:

Please provide a list of the infrastructure upgrades within the TIF proposal

(Patricia McDow, City Council Member, City of Yonkers, Letter, 5/30/2008)

Response TIF-63:

See Response TIF-10.

Comment TIF-64:

Can we see a chart of the TIF payments as it relates to construction and up keep.

(Patricia McDow, City Council Member, City of Yonkers, Letter, 5/30/2008)

Response TIF-64:

Projected debt service on the Tax Increment Bonds is shown on Schedule IX of Appendix D to the Tax Increment Financing Feasibility Study in Appendix I.F of the DEIS. Bond proceeds will fund construction costs; cost of operation and maintenance of the new public garages will be paid from parking revenues, and of other public improvements and infrastructure from the base tax and the 25% portion of the increment not allocated to Tax Increment Bond debt service.

Comment TIF-65:

In order to maintain a schedule that will allow this project to break ground on developer's scheduled date, it would seem to me that the County Legislator representing the area should be made part of the development discussion, which would be on going.

(Patricia McDow, City Council Member, City of Yonkers, Letter, 5/30/2008)

Response TIF-65:

Comment Noted.

Comment TIF-66:

With regards to the TIF district, it appears to me that the City of Yonkers will be taking on some of the County's responsibility. During this phase of the development, I would like to see the County provide the City of Yonkers with an exempt period until the loan is satisfied.

(Patricia McDow, City Council Member, City of Yonkers, Letter, 5/30/2008)

Response TIF-66:

Comment Noted.

Comment TIF-67:

The estimated cost for the infrastructure improvements is \$200 million. Seems impossibly light. How was this arrived at? Estimates? Bids? The infrastructure today is in need of major rehabilitation. What improvements are needed above and beyond at different levels of development versus what is needed to accommodate super tall structures? Let the developer pay for any overage guaranteed by the performance bond.

(Barbara Howard, Memo, 5/30/2008)

Response TIF-67:

The cost for the construction of the public infrastructure and improvements is estimated by the Applicant to be approximately \$160,000,000 – the remaining \$40,000,000 is for capitalized interest, debt service reserves and cost of bond issuance. Estimated costs were developed by the Applicant's professional consultants in consultation with the City consultants. Ellana Inc./Bluestone Developers Construction Cost Consultants, the City's consultant, has also prepared an estimate of the costs for the construction of the public improvements proposed to be funded through Tax Increment Financing. That estimate is included in Appendix I of this FEIS. See also Response TIF-10.

Comment TIF-68:

The TIF should be backed up by the performance bond if the developer does not complete the work on time or misses sales targets. Will we be able to pay the dividends, maintain municipal services (actually at an increased level) until we start to see revenue start coming in?

(Barbara Howard, Memo, 5/30/2008)

Response TIF-68:

Contracts for the construction funded by the proceeds of the Tax Increment Bonds will be secured in the same manner as the City requires any other public improvement contract to be secured.

Comment TIF-69:

The TIF proposed by the Project Sponsors in the City of Yonkers for \$160 million dollars worth of public parking (\$120 million) and infrastructure improvements (\$40 million) will require the City to issue almost \$200 million dollars in TIF bonds. Neither the DEIS nor the TIF feasibility study adequately addresses the TIF bond placement costs, the increased construction cost estimates during the tendency of the DEIS process, and the possible “moral obligation” of the City to honor the TIF bonds in the event the Project Sponsor defaults or otherwise does not repay the bonds.

(Barry B. McGoey, Resident, Letter, 5/30/2008)

Response TIF-69:

Costs of issuance of the Tax Increment Bonds will be paid from bond proceeds, and all debt service projections include those costs. The comment accurately reflects the fact that construction costs will continue to rise during the approval process. However, the maximum amount of Tax Increment Bonds that the City will issue is \$200,000,000. The City will not have a moral obligation to repay the bonds. The Applicant will be obligated to “backstop” the payment of bond debt service.

Comment TIF-70:

Appropriateness of expending upwards of \$120 million dollars by the City of Yonkers to build public parking for a private development project.

(Barry B. McGoey, Resident, Letter, 5/30/2008)

Response TIF-70:

Comment noted.

Comment TIF-71:

Neither the DEIS nor the TIF feasibility study have clearly defined how the other properties located within the TIF district will be affected (i.e. will the TIF increment be captured from every property within the TIF district or just the tax increment from the Proposed Projects?).

(Barry B. McGoey, Resident, Letter, 5/30/2008)

Response TIF-71:

Any incremental additional tax generated by any property in the project area (the “TIF District”) will be captured. However, revenues from other properties are not being relied upon for repayment of the Tax Increment Bonds.

Comment TIF-72:

What effect will the TIF have on the tax revenue generated from other parts of the City of Yonkers (sales tax, property tax, income tax revenue, etc...)?

(Barry B. McGoey, Resident, Letter, 5/30/2008)

Response TIF-72:

The Tax Increment Financing program will not have any effect on tax revenues generated from other parts of the City.

Comment TIF-73:

What effect will the TIF have in terms of redeployment of resources from other areas of the City to the TIF district if enough revenue is not generated to adequately provide the services required of the Proposed Projects within the TIF district (police, fire, emergency services, sanitation, public works, etc...)?

(Barry B. McGoey, Resident, Letter, 5/30/2008)

Response TIF-73:

The Tax Increment Bonds will be sized and the issuance of the bonds will be phased so that there is always sufficient revenue being generated by the Project to service bond debt. City revenues not allocated to Tax Increment Bond debt service (the base tax, 25% of the property tax increment and 100% of sales and other taxes) is sufficient to cover all of the City’s costs to service the Project, including police, fire and education, and still leave a surplus of approximately \$5.4 million per year.

Comment TIF-74:

Neither the DEIS nor the TIF feasibility study contain a full and complete analysis of the TIF projected revenue in the form of a side by side comparison of the TIF including County taxes and the TIF without County taxes.

(Barry B. McGoey, Resident, Letter, 5/30/2008)

Response TIF-74:

See Response TIF-5.

Comment TIF-75:

Similarly it is not clear to me how the school taxes will be affected by the TIF. The Scope of the DEIS should thoroughly analyze any and all ways in which school taxes and school tax revenues will be affected by the proposed TIF.

(Barry B. McGoey, Resident, Letter, 5/30/2008)

Response TIF-75:

City revenues not allocated to Tax Increment Bond debt service (the base tax, 25% of the property tax increment and 100% of sales and other taxes) is sufficient to cover all of the City costs to service the Project, including police, fire and education, and still leave a surplus of approximately \$5.4 million per year.

Comment TIF-76:

Without passing judgment on the efficacy of such financing, approximately what would the rating of such bonds be? And roughly what interest rate would they offer? Would they be available (in modest increments) to City residents who wish to invest in the City's future?

(Bob Snyder, Letter, 5/28/2008)

Response TIF-76:

The Tax Increment Bonds are not expected to be rated, and will therefore be sold to institutional investors. Interest rates vary constantly and it is not possible to predict the interest rates on the Tax Increment Bonds until closer to the time the bonds are to be sold.

Comment TIF-77:

Under New York General Municipal Law Article 18-C parking is not specifically a purpose for TIF use but could be a general use. More information on why parking is part of TIF and not a general site plan requirement.

(Colleen Roche, AICP, Senior Planner, City of Yonkers, E-mail, 5/20/2008)

Response TIF-77:

Public parking is a general public improvement for which Tax Increment Bond proceeds may be used. Tax Increment Financing of the public parking garages and other public improvements is the City's contribution to a public/private partnership, and is necessary to maintain the financial feasibility of the Project.

Comment TIF-78:

I-4 The report proposes that the City and Westchester County enter into a "joint undertaking" under the Municipal Redevelopment Law. The purpose would be to guarantee that the County pledges its portion of the tax increment debt revenues to the debt service on the City's tax

increment bonds. What is not clear is if the County would be legally obligated to approve this plan, and what the effect would be if they do not.

(Daisy Colon, Dept. of Planning and Development, City of Yonkers, Memo, 5/9/2008)

Response TIF-78:

See Responses TIF-17, TIF-18.

Comment TIF-79:

- 1) What is the acreage of the TIF district? What is the acreage of what is considered the Yonkers downtown area?
- 2) What percentage of what is considered the Yonkers downtown area does the TIF district comprise?
- 3) What is the total acreage of Yonkers combined commercial/shopping districts (including Ridge Hill, Central Avenue, Cross County, etc.)? What percentage of these districts does the TIF district comprise?
- 4) What are the block and lot numbers of every tax lot in the TIF district?
- 5) What is the current ownership of every tax lot in the TIF district?
- 6) What is the 2008 1) assessed value and 2) market value of every tax lot in the TIF district?
- 7) What is the anticipated ownership of every tax lot in the TIF district during construction? (This can be general: SFC or affiliate, City, CDA, IDA, name of LDC, other owner, etc.)
- 8) What is the estimated 1) assessed value and 2) market value of every tax lot in the TIF district during the project construction phase?
- 9) What is the anticipated ownership of every tax lot in the TIF district when the project is completed? (This can be general: SFC or affiliate, City, CDA, IDA, name of LDC, other owner, etc.)
- 10) In instances where ownership of tax lots will change, how will transfer of ownership be accomplished in each instance and what parties will be involved in each transfer (including City agencies such as the CDA and IDA, LDC's, etc.).
- 11) What is the anticipated 1) assessed value and 2) market value of every tax lot in the TIF district when the project is completed?
- 12) Is the cooperation of Westchester County required to enable the creation of the TIF district? If so (or if not so), explain why.
- 13) Will there be any anchor tenants in the TIF district? If so, which ones?
- 14) What is the viability of the TIF district if one or more of the identified anchor tenants leave before the maturity of the TIF bonds?
- 15) What is the impact of the Empire Zone and Federal Empowerment Zone designations on the TIF district?
- 16) Which properties in the TIF district (identify by street address, Block and Lot Number) are also in the Empire Zone and/or the Federal Empowerment Zone?

(Deirdre Hoare, Resident, Letter, 5/30/2008)

Response TIF-79:

The project area selected by the City Council as eligible for a redevelopment project under the Municipal Redevelopment Law (the "TIF District") is approximately 99.5 acres and comprises a

significant portion of downtown Yonkers, though a very small portion of the entire City. (The 77.5 acre figure given in the Blight Study was comprised of the acreage of the parcels within the TIF District. The 99.5 acres referred to above includes the parcels, as well as the streets and railroad right of way within the TIF District.) The Applicant will own all of the property that makes up the Palisades Point site except for the portion of the site devoted to the new riverfront promenade; all of the property that comprises the River Park Center site (including the Government Center site) except for the portions of the site in which public parking garages will be constructed; and the portion of the Cacace Center site on which the office/hotel building will be constructed. The total cost of infrastructure improvements as estimated by the Applicant in the DEIS is \$159,064,364, as follows:

Public parking at \$112,500,000;

Sanitary sewer improvements at \$792,311;

Storm drainage improvements at \$4,996,900;

Water distribution improvements at \$1,996,756;

Roadways, bridges and traffic improvements at \$26,530,840;

Landscape and streetscape improvements at \$ 3,540,400;

Controlled inspection and testing at \$1,135,716; and

Contingency at \$7,571,441.

See Appendix 1.F of the DEIS for more information.

The majority of the infrastructure improvements are located in the project area. The few traffic and water distribution infrastructure improvements located outside of the project area are for the benefit of the project area.

The County has not yet committed to the Tax Increment Financing program. If it does not, then the portion of the City tax increment allocated to debt service (currently projected to be 75%) would need to be increased and/or other public funding would have to be secured.

Anchor tenants have not yet been determined but the Applicant has received verbal (and in some cases written) expressions of interest from potential tenants to validate the market's interest in retail leases at River Park Center.

The Tax Increment Financing program would not have any impact on the Empire Zone or Empowerment Zone.

Comment TIF-80:

1) How much money will be bonded through TIF?

- 2) What is the term of the TIF bonds? Will it vary or will they all be issued for the same time span?
- 3) Who will issue the TIF bonds?
- 4) What will the denominations of the TIF bonds be?
- 5) Will investor letters be required?
- 6) Will the Bonds be rated or non-rated?
- 7) What is the expected rating of the Bonds, if any? What is this rating based upon?

(Deirdre Hoare, Resident, Letter, 5/30/2008)

Response TIF-80:

The maximum principal amount of the Tax Increment Bonds is \$200,000,00. The bonds will be issued by the City. The term of the bonds has not yet been determined, and serial bonds (i.e., bonds with different maturities) may be issued; however, that will depend, in part, on the yield curve at the time the bonds are issued. The denominations of the bonds are expected to be \$100,000. Investors will likely sign letters that they are buying the bonds for their own account. The bonds are not expected to be rated.

Comment TIF-81:

- 8) Will the TIF Bonds rating or non-rating be tied to the City's general obligation in any way?
- 9) Will the TIF Bonds rating or non-rating be linked to the City's creditworthiness?
- 10) Do the TIF bonds count against the City of Yonkers debt limitations?

(Deirdre Hoare, Resident, Letter, 5/30/2008)

Response TIF-81:

The Tax Increment Bonds are not linked to the City's rating or creditworthiness, since the City will have no responsibility for the repayment of the bonds. The Tax Increment Bonds will not count against the City's debt limitations.

Comment TIF-82:

- 11) What happens if not all the TIF bonds are sold?
- 12) Who is responsible for paying the TIF bond investors?
- 13) Who will administer the TIF bond revenue collection and payments?

(Deirdre Hoare, Resident, Letter, 5/30/2008)

Response TIF-82:

If all of the Tax Increment Bonds are not sold and the Applicant still elects to go forward with the Project with funding sources, then the Applicant will fund the deficiency. Bond investors are repaid solely from parking revenues of the new public garages and tax increment revenues. The tax increment revenues will be collected at the same time and in the same manner as all other property taxes in the City and will be paid to a trustee, who will be responsible for payments to the bond holders.

Comment TIF-83:

14) Are there fees associated with administering a TIF district? If so, what are the anticipated fees? Who will retain these fees? Are there any limitations on the use of TIF bond administration fees?

15) What is the anticipated cost of administering the TIF Bond mechanism?

16) What will it cost the City of Yonkers to administer the TIF bonds?

(Deirdre Hoare, Resident, Letter, 5/30/2008)

Response TIF-83:

See Response TIF-29.

Comment TIF-84:

17) Can the TIF bonds be refinanced in the future? If so, can they be refinanced with GO bonds?

18) What is the acceptable level of perceived project risk for the city to refinance the TIF bonds with rated GO bonds?

(Deirdre Hoare, Resident, Letter, 5/30/2008)

Response TIF-84:

The Tax Increment Bonds can be refinanced in the future and this would be expected. Once the Project is developed and is operating, the bonds should be able to qualify for an investment grade rating and/or bond insurance, though bond insurance may not be available or valuable in the current market conditions. Bond ratings, however, are available and meaningful and municipal bonds continue to be sold with ratings in the current market. Refunding with City general obligation bonds is not currently contemplated.

Comment TIF-85:

19) What taxes are expected to fund repayment of the TIF bonds (i.e. Yonkers property tax, Westchester County, sales tax, income tax, etc?)

20) What percentage of property tax revenue at each project site is expected to be diverted to fund TIF Bond repayment on an annual basis during the term of the bonds?

Will this percentage remain consistent, or is it subject to change?

21) What percentage of property tax revenue in the TIF district is expected to be diverted to fund TIF Bond repayment on an annual basis during the term of the bonds?

Will this percentage remain consistent, or is it subject to change?

22) What is the anticipated gross tax revenue from each of the four project sites (River Park Center, Cacace Center, Palisade Point and Larkin Plaza) during the term of the TIF bonds? Provide annual breakdown per tax type (i.e. Yonkers Property, sales tax, income tax, etc.) for each site for the term of the TIF Bonds.

23) What is the anticipated TIF bond payment for each of the four project sites during the term of the TIF bonds? Provide annual breakdown per tax type (i.e. Yonkers Property, Westchester County, sales tax, income tax, etc.) for each site for the term of the TIF Bonds.

24) What is the anticipated net tax revenue to the City of Yonkers for each of the four project sites after the TIF Bonds are paid off? Provide annual breakdown per tax type (i.e. Yonkers Property, Westchester County, sales tax, income tax, etc.) for each site for up to five years after the end of TIF Bond repayments.

25) What is the anticipated gross tax revenue for the entire TIF district during the term of the TIF bonds? Provide annual breakdown per tax type (i.e. Yonkers Property, sales tax, income tax, etc.) for the district for the term of the TIF Bonds.

26) What is the anticipated TIF bond payment for the entire TIF district during the term of the TIF bonds? Provide annual breakdown per tax type (i.e. Yonkers Property, Westchester County, sales tax, income tax, etc.) for the district for the term of the TIF Bonds.

27) What is the anticipated net tax revenue to the City of Yonkers for the entire TIF district after the TIF Bonds are paid off? Provide annual breakdown per tax type (i.e. Yonkers Property, Westchester County, sales tax, income tax, etc.) for the district for up to five years after the end of TIF Bond repayments.

(Deirdre Hoare, Resident, Letter, 5/30/2008)

Response TIF-85:

Complete bond projections are in Appendix D to the Tax Increment Financing Feasibility Study in Appendix 1.F of the DEIS. See Responses TIF-31, TIF-41.

Comment TIF-86:

8) How much of the total anticipated cost of infrastructure improvements for Phase 1 will be paid for with TIF Bonds?

9) How much of the total anticipated cost of infrastructure improvements for Phase 1 will be paid for by the developer?

10) How much of the total anticipated cost of infrastructure improvements for Phase 1 will be paid for by the City of Yonkers?

11) How much of the total anticipated cost of infrastructure improvements for Phase 1 will be paid for by state and/or federal funding?

12) What amount of the cost of infrastructure improvements within the TIF district will be paid for via the TIF Bonds? If not all, how is the rest of the cost being paid and by what party?

13) What amount of the cost of infrastructure improvements at each project site will be paid for via the TIF Bonds? If not all, how is the rest of the cost being paid and by what party?

(Deirdre Hoare, Resident, Letter, 5/30/2008)

Response TIF-86:

With certain exceptions (such as the cost of constructing the riverfront public promenade at Palisades Point), the public infrastructure improvements will be paid for with the proceeds of Tax Increment Bonds. The City will not use general City funds to pay for the public improvements. See also Response TIF-10.

Comment TIF-87:

The definite risks associated with the unusually high percentage of property taxes to be dedicated to the repayment of the Tax Incremental Financing bond issue (75% as against a national average of 20-30%) are also minimized throughout the DEIS.

(Board of Directors, Yonkers Committee for Smart Development, Letter, 5/30/2008)

Response TIF-87:

Comment noted.

Comment TIF-88:

Has Westchester County committed to the proposed 75% tax participation? What are the financial ramifications for TIF reimbursements if the County does not participate?

(Board of Directors, Yonkers Committee for Smart Development, Letter, 5/30/2008)

Response TIF-88:

The County has not yet committed to the Tax Increment Financing program. If it does not, then the portion of the City tax increment allocated to debt service (currently projected to be 75%) would need to be increased and/or other public funding would have to be secured.

Comment TIF-89:

Westchester County TIF Participation

- a. Has Westchester County agreed to participate in the TIF financing arrangement?
- b. Does the TIF analysis provide financials for the repayment of the bond without County participation?
- c. Can COY meet its obligations to bond purchasers without County participation?
- e. Were all the TIF financial calculations made on the assumption that the County will participate?

(Board of Directors, Yonkers Committee for Smart Development, Letter, 5/30/2008)

Response TIF-89:

All current bond projections assume County participation. The Tax Increment Financing Feasibility Study includes projections without County participation. However, the Applicant is assuming that the County will participate. See Response TIF-88.

Comment TIF-90:

Contrary to many public statements made by SFC representatives, the DEIS does not indicate that the sewer/storm water lines will be rebuilt throughout the downtown as a grand result of this Project. In point of fact, infrastructure remediation appears limited to the Project areas. (I-20, last paragraph and Exhibit III H-5) Furthermore, it is only recently that the developers have proposed that the Prospect Street Bridge and the Saw Mill River Parkway lane enhancement will be part of the same \$200,000,000 TIF.

How is it possible that this same proposed amount is now also expected to cover the bridge and the SMP costs?

- a. Can SFC be asked to clarify their earlier statements?
- b. Is it possible to extend the sewer enhancements beyond the Project boundaries with financial participation from the developer?
- c. Saw Mill River Parkway lane enhancement: Has the DOT agreed to this proposal and will there be State funds available for the work? Did the DOT agree to pay for the additional entrance ramp to Ridge Hill and if so, why would it not do the same for this project?
- d. Geometric Improvement (I-21) What is this precisely? This northbound ramp could use a complete rebuild. It is already the site of numerous accidents.
- e. How much will the new separated storm sewers cost and where will they be installed. Specifically, what streets will be affected? How much of the downtown will receive the new installations?

(Board of Directors, Yonkers Committee for Smart Development, Letter, 5/30/2008)

Response TIF-90:

The specific sewer/storm water line improvements have been determined by engineering studies prepared by the Applicant and confirmed by the City's Engineering Department and its retained third-party engineering firm. All statements made by the Applicant are consistent with the DEIS; public statements reflected the level of study completed at the time they were made. The Applicant is working with the County and State Departments of Transportation with regard to the implementation of Saw Mill Parkway improvements. Given concerns expressed by area residents and others, as well as cost factors, the Prospect Street bridge has been eliminated from the Proposed Action. These concerns include issues of safety, security and traffic congestion for residents of the Scrimshaw House, and issues of potential impacts on the children's playground and parents' ability to drop-off their children at the Queen's Daughter daycare facility.

The improvements to the sewer system are presented in Chapters III.H of the DEIS and this FEIS.

As discussed on page III.E-17 of the DEIS and again in Table III.E-3 of the DEIS, the improvements to the ramps of the Saw Mill River Parkway at Yonkers Avenue include: the provision of dual right turn lanes on the Saw Mill River Parkway Southbound Exit ramp and the installation of a traffic signal. The improvements also include the provision of dual right turn lanes on the Saw Mill River Parkway Northbound Exit ramp.

For a discussion of the location of the new separated storm sewers see Response III.D-1.

Comment TIF-91:

Is the outline of the TIF district physically broad enough to generate the amount of property reassessment needed to support payment of this bond issue?

(Board of Directors, Yonkers Committee for Smart Development, Letter, 5/30/2008)

Response TIF-91:

See Response TIF-73.

Comment TIF-92:

- a. How much property tax revenue (dollar amount) is estimated for the TIF district for each year over the next 20 years, from start of construction?
- b. How much of the anticipated property tax revenue (dollar amounts) is from the SFC development, and how much from other property in the TIF district, broken down on a yearly basis for the next 20 years? Give a breakdown for each Phase I component: River Park Center, Parcels H&I, Cacace Center, Larkin Plaza, etc.
- c. How much of the anticipated property tax revenue (dollar amounts) on a yearly basis will go to pay the TIF bonds, and how much will revert to the city?

(Board of Directors, Yonkers Committee for Smart Development, Letter, 5/30/2008)

Response TIF-92:

See Responses TIF-5, TIF-6, TIF-7.

Comment TIF-93:

- e. As per the Blackstone report, will the City be responsible for paying any shortfall between the property tax revenues and the TIF bond payments?
- f. What happens if the property tax revenue is not enough to cover the TIF bond payments?
- g. Give a specific breakdown of ALL infrastructure costs that would be covered by the TIF bonds: sewer upgrades, roads, parking structures, etc. on a parcel by parcel and street by street basis.

(Board of Directors, Yonkers Committee for Smart Development, Letter, 5/30/2008)

Response TIF-93:

See Responses TIF-8, TIF-9, TIF-10.

Comment TIF-94:

Has a TIF financial plan been drawn up for Alternative B? Would the COY be better able to repay a smaller bond issue? Alternative B would indeed generate fewer property taxes, but conversely, the TIF bond issue could be considerably lower, and the TIF funding could be shifted from a massive outlay for parking spaces to additional sewer infrastructure improvements. Property assessments, the foundation of the TIF repayment schedule, would still rise in the TIF district.

(Board of Directors, Yonkers Committee for Smart Development, Letter, 5/30/2008)

Response TIF-94:

A financial plan for DEIS Alternative B (development under existing zoning) has not been prepared since it is not considered to be feasible considering the objectives of the Applicant.

Comment TIF-95:

Is it possible that the mortgage recording taxes will be eliminated through PILOTS and tax incentives for the developers? What effect will this have on the ability to repay the TIF bonds?

(Board of Directors, Yonkers Committee for Smart Development, Letter, 5/30/2008)

Response TIF-95:

An exemption from mortgage recording tax will not impact repayment of the Tax Increment Bonds.

Comment TIF-96:

Executive Summary, 1-6, 4. Larkin Plaza: "The City is considering making public improvements" Would this part of the \$160 million TIF infrastructure program or a separate funding source?

(Mario Caruso, Planning Bureau of Yonkers, City of Yonkers, Memo, 5/2/2008)

Response TIF-96:

The Larkin Plaza public improvements are not included in the Tax Increment Financing program.

Comment TIF-97:

Executive Summary, 1-10, first paragraph: "The Applicant has proposed that 75% of the tax increment be devoted to the bond debt service" This seems to be a recommendation. Can the City continually adjust how these tax increments are divided or are there TIF program restrictions?

(Mario Caruso, Planning Bureau of Yonkers, City of Yonkers, Memo, 5/2/2008)

Response TIF-97:

All bond projections assume that 75% of the increment will be devoted to debt service. A commitment to a set allocation will need to be made when the Tax Increment Bonds are issued.

Comment TIF-98:

Executive Summary, 1-12, 5. County Actions: There needs to be an elaboration of how the County could or would participate in the Tax Increment Financing program?

(Mario Caruso, Planning Bureau of Yonkers, City of Yonkers, Memo, 5/2/2008)

Response TIF-98:

See Responses TIF-17, TIF-18.

Comment TIF-99:

Why is it beneficial to the City to adopt the proposed TIF? The TIF relies on an increase in the assessed value of properties in the zone. What if there is no increase or a smaller increase than projected? What if the current housing slump fails to deliver the projected financing? Who will pay the difference? Will the Applicant pay into that?

(Loretta Miraglia, Resident, Memo, 5/30/2008)

Response TIF-99:

Tax Increment Financing of the public parking garages and other public improvements is the City's contribution to a public/private partnership, and is necessary to maintain the financial feasibility of the Project. The Applicant will "backstop" the debt service on the Tax Increment Bonds.

Comment TIF-100:

There have been major marketing efforts put forth by SFC asserting the benefits to the City of improvements to the City infrastructure, but even a cursory review of the DEIS shows that infrastructure improvements, except for those immediately necessary to the proposed projects, will be paid for by the City. What, then, is the actual benefit to the City?

(Loretta Miraglia, Resident, Memo, 5/30/2008)

Response TIF-100:

The benefit to the City is the long awaited revitalization of downtown Yonkers.

Comment TIF-101:

I-9 T.I.F Financing: "Construction of approximately 5000 parking spaces at Palisades Point, River Park Center + Cacace Center." The government center should be added to this description

(Jim Pinto, Director, Downtown and Waterfront Development (City of Yonkers), Memo, 5/30/2008)

Response TIF-101:

Comment noted. Throughout the DEIS, the River Park Center component of the Project has been defined to also include the Government Center and Palisade Avenue office building.

Comment TIF-102:

TIF might sound good theoretically but there are no guarantees that the TIF proposals will actually be enough, given the rising costs of just about everything.

(Taffy Lee Williams, Resident, Letter, 5/30/2008)

Response TIF-102:

Comment Noted.

Comment TIF-103:

The Project's reliance upon TIF revenues to pay for these and other Project-necessitated improvements renders the feasibility of the TIF mechanism particularly important. (See ASR comments on Utilities and Appendix LF for additional concerns regarding TIF financing.) ASR has been operating in Yonkers since the early 1900s, and is concerned about tax rates in Yonkers increasing should the DEIS' economic forecasts concerning TIF not meet expectations.

(Daniel Riesel, Esq., Sive, Paget & Riesel, P.C., American Sugar Refining, Inc., Letter, 5/30/2008)

Response TIF-103:

The Tax Increment Bonds will be paid solely from the revenues of the new public parking garages and the tax increment generated in the "TIF District," and not from the "base tax" generated in the TIF District. In addition, to be conservative, the bonds will be sized so that the debt can be serviced solely from the increment generated by the Project. Accordingly, the bonds will not have a detrimental impact on tax rates in the City, regardless of economic forecasts.

Comment TIF-104:

Appendix I.F, the TIF Feasibility Study, does not include "Attachment E," which purportedly is intended to be a detailed schedule of the application of the financing; without this schedule, the feasibility of TIF cannot be ascertained. Although the detailed schedule is supposed to be provided as part of the FEIS, that is too late in the process to permit meaningful review and public participation.

(Daniel Riesel, Esq., Sive, Paget & Riesel, P.C., American Sugar Refining, Inc., Letter, 5/30/2008)

Response TIF-104:

See Response LA-26.

Comment TIF-105:

Similarly, Table III.I-60 ("Summary of Annual Fiscal Impacts, Proposed Development") appears to be in error. When total projected tax revenues are adjusted for the taxes to be allocated to pay the TIF bonds, the figures listed under Balance of Revenues projected to be available to the City, do not add up. There also is no explanation of the calculation of tax amounts allocated for TIF bonds. (III.I-83)

(Daniel Riesel, Esq., Sive, Paget & Riesel, P.C., American Sugar Refining, Inc., Letter, 5/30/2008)

Response TIF-105:

Comment noted. See Response III.I-136.

Comment TIF-106:

Moreover, the Supplemental DEIS must clarify who - the Applicant or the City – is responsible for paying for Project-related construction and mitigation costs if the TIF revenues are insufficient.

(Daniel Riesel, Esq., Sive, Paget & Riesel, P.C., American Sugar Refining, Inc., Letter, 5/30/2008)

Response TIF-106:

The Applicant will fund any deficiency.

Comment TIF-107:

There are additional omissions that need to be addressed for the City Council to have a basis to evaluate the use of TIF bonds for this Project. These include the following: A statement from the City's Corporation Counsel or Bond Counsel that the proposed application of TIF is consistent with New York State law or with the covenants and restrictions relating to currently-outstanding debt; An opinion from the City's financial advisor or underwriter that TIF bonds can be sold under current market conditions, and the coupon that would be required to finance the required debt. This opinion should also address whether any credit enhancement, such as municipal bond insurance, would be required to sell such debt and, if relevant, whether insurance would be available; and An opinion from the City's financial advisor or underwriter regarding whether the issuance of TIF bonds would have any adverse impact on the City's general credit rating and/or the cost of future borrowing by the City.

(Daniel Riesel, Esq., Sive, Paget & Riesel, P.C., American Sugar Refining, Inc., Letter, 5/30/2008)

Response TIF-107:

Comment noted.