REQUEST FOR PROPOSAL FOR PLANNING SERVICES:

EVALUATION OF ALTERNATIVE PUBLIC USES FOR

THE READER’S DIGEST PROPERTY

TOWN OF NEW CASTLE
200 South Greeley Avenue
Chappaqua, New York 10514

November 24, 2008
I. Purpose of Request:

The Town of New Castle is soliciting services of qualified land-use planning firms with experience in the areas of visioning, planning, and sustainable community design in the development of large scale, mixed-used sites to provide planning services on the potential acquisition and redevelopment of specific portions of the properties referred as the Reader’s Digest site (“site”). The Town of New Castle intends to award a contract to a consultant/firm that meets the Consultant Qualifications and has a history of successfully performing services on similar comprehensive plans.

II. Objective:

The owner of the 119.7-acre site, SG Chappaqua B LLC. (“Applicant”), petitioned the Town for rezoning and site plan approval for its mixed-use redevelopment of the site (“Chappaqua Crossing”). The New Castle Town Board decided that, parallel to the environmental review of the Chappaqua Crossing proposal, to explore the public acquisition and potential uses that are beyond the scope of alternatives set forth in the current project scope. The Town Board’s request is for a planning and land use consultant to assist the Board in examining the Town’s acquisition of a portion of the property, locate alternative uses, perform a feasibility study of the uses to determine whether the proposed uses can be accommodated on the site. This information and analysis will be the foundation for the creation and development of the Generic Environmental Impact Statement (“GEIS”) for the preferred alternatives(s). The work will be performed in consultation with the Town Planner and Frederick P. Clark Associates, the Town’s planning consultant who prepared the scoping document for the Chappaqua Crossing proposal and who will be reviewing the Draft Environmental Impact Statement (“DEIS”) submitted by the Applicant. Accordingly, by this Request for Proposal (“RFP”), the Town seeks to supplement the existing consultant’s knowledge and experience with a consultant who has particular background and experience with developments of the size and scope the Town contemplates.

III. Background Information

1. History of the Site

Reader’s Digest moved to its current world headquarters on Roaring Brook Road in Chappaqua in 1939. Over time, the site has undergone multiple expansions and grew to full occupancy of the existing 700,000 square feet by the 1970s where it continued to flourish for the next two decades. However, changes in the publishing industry and the evolution of technology and the Internet led to a decreased demand for full-employee occupancy. This change resulted in the decision by Readers’ Digest to explore downsizing of its operations and occupancy and to consider various options for re-use or redevelopment of the site.

2. Description of the Site

The Reader’s Digest site consists of six parcels totaling approximately 120 acres as further described below:
<table>
<thead>
<tr>
<th>Description</th>
<th>Tax Lot</th>
<th>Acres</th>
<th>Owner</th>
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</thead>
<tbody>
<tr>
<td>Main Parcel</td>
<td>93.9-1-1</td>
<td>113.7</td>
<td>SG Chappaqua B LLC</td>
</tr>
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<td>1.05</td>
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<td>0.8</td>
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<tr>
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<td>93.9-1-10</td>
<td>1.05</td>
<td>RD; SG Chappaqua B LLC option</td>
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<tr>
<td><strong>Total:</strong></td>
<td></td>
<td><strong>119.7</strong></td>
<td></td>
</tr>
</tbody>
</table>

The Main Parcel contains approximately 700,000 square feet of office space and related facilities. On this parcel, the Main Building is located at the western section of the site and extends north to south for about 1,200 feet. A distinctive white cupola is centered on the oldest part of this building currently occupied by Readers’ Digest. In addition, accessory buildings are located in the center and eastern sections of the site, which include the Wallace Auditorium, the Bedford Valley House, a maintenance garage, a single-family house used as a corporate guesthouse, and a gatehouse. Approximately 1,680 parking spaces exist on the site in ten (10) on-grade parking lots located to the east and north of the Main Building. The site also includes an undeveloped parcel on the south side of Roaring Brook Road adjacent to the Metro North rail line and four single-family lots on the north side of Roaring Brook Road adjoining the Main Parcel.

The site is bordered on the north, south, and east by single-family lots ranging in size from ½ acre to 4-acres in a R-1A (One-Acre Residence) zoning district and is bounded on the west by the Harlem Division tracks of Metro-North Railroad, Chappaqua Brook, and the Saw Mill River Parkway. The Horace Greeley High School is located to the south with the main entrance directly opposite the site.

A contiguous perimeter of open space surrounds the main office building and parking areas. The open space area consists primarily of woodlands, meadows, and lawn areas ranging from 100- to 600-feet in width. A north-south watershed divide bisects the center of the site and the Wallace Auditorium. To the east of this divide, the land slopes towards a pond, surrounding wetlands, and Cowdin Lane. To the west, the land slopes towards Chappaqua Brook. The entire site drains into the Croton Watershed.

3. **Current Use of the Site**

Reader’s Digest currently uses approximately 225,000 square feet of offices in the south end of the existing complex (Buildings 100, 200, and 300), and 700 on-grade parking spaces utilized by the company located east of Building 100. The company also has the right to use various support facilities located in Buildings 400 and 500 consisting of approximately 75,000 square feet. The support facilities/services includes a full-service cafeteria with dining rooms, fitness center, conference center, and convenience retail, while also housing campus infrastructure, such as emergency generators, HVAC systems, and main electrical switch gear. The Bedford Valley House located (totaling 5,106 square feet) is currently leased for ten years by the U.S. Secret Service. The Wallace Auditorium is used as a venue of entertainment, invited speakers, and community-wide activities.
4. **Summary Description of the Chappaqua Crossing Proposal**

The Chappaqua Crossing proposal consists of the redevelopment of existing office space and the construction of a new multifamily residential project on the (“Site”). The Chappaqua Crossing project is being proposed by SG Chappaqua B LLC, a partnership of Summit Development of Norwalk, CT and Greenfield Partners of Norwalk, CT (the “Applicant”).

The project site (“Site”) consists of 119.7 acres that currently contain approximately 700,000 square feet of office and support uses, approximately 1,680 on-grade parking spaces, and three single-family homes. The office and multi-family residential uses are proposed to be located on separate adjoining parcels and will share limited physical infrastructure. Approximately 80% of the new homes would be age restricted to residents fifty-five (55) years or older, and 20% of the homes would be reserved for persons meeting the Westchester County affordable housing standard. The proposal also includes traffic improvements to surrounding roadways and an offer of approximately two (2) acres of property along Roaring Brook Road to the Town of New Castle for municipal use. The existing office facilities on the Site are currently served by public sewer service. A proposal to expand the existing Sewer District to encompass additional areas of the Site where new residential development is also being proposed. The Site is currently served by public water service, which is proposed to continue servicing both existing office facilities to remain and new residential development.

The Site is bordered by existing single-family residences, N.Y. Route 117 (Bedford Road), Roaring Brook Road and the Metro-North Harlem Line Railroad right of way. Horace Greeley High School is located to the south of the site across Roaring Brook Road, and the Saw Mill River Parkway is located directly to the west.

The current zoning on the Site includes approximately 87 acres of Research and Office Business (B-RO-20) and 28 acres of One Acre Residence (R-1A). The Applicant also has an option to acquire four adjacent residential lots along Roaring Brook Road totaling approximately four acres. The Proposed Action would reduce the 87 acres of B-RO-20 zoned land to approximately 49 acres, and would apply the Multifamily Planned Development District (MFPD) zone to approximately 64 acres.

**A. Office Component.**

The SG Chappaqua B LLC proposal would retain the majority of the office buildings on the Site, which would provide the Applicant an opportunity to continue the corporate use on the Site. The office component would preserve approximately 520,000 square feet of the existing 700,000 square feet of office space within approximately 49 acres of existing B-RO-20 zoned land. Office tenants, including the Reader’s Digest Association, would occupy the original Georgian-styled brick buildings that have identified the company’s headquarters in the community since the 1930s. Two existing office buildings (Buildings 600 and 700), totaling approximately 155,000 square feet, as well as an existing maintenance garage, one former house used for office purposes and the auditorium, would be razed.

Overall, the SG Chappaqua B LLC proposal would include approximately 265,000 square feet of recently renovated space occupied by Reader’s Digest through a long-term
lease, approximately 171,000 square feet of office space to be renovated, modernized and leased to other tenants, and approximately 75,000 square feet of common office support facilities (health club, cafeteria and service uses) to service all the office tenants. Several of the existing parking areas would be removed and others would be reconfigured and/or expanded to provide enhanced circulation and access from both the western site entrance at the Saw Mill River Parkway and the eastern entrance at Bedford Road.

The Applicant anticipates that the office component of the Proposed Action would be completed and occupied within approximately one (1) to three (3) years after all required approvals and permits are obtained.

B. Residential Component
The Chappaqua Crossing proposal would include a new neighborhood of senior age restricted housing combined with affordable workforce housing. Approximately 10% of the age restricted housing would be affordable, as would all of the workforce housing. The new residences would be situated within approximately 64 acres of the former Reader’s Digest campus and would make use of the landscaping, mature vegetation and trails that exist as part of the campus today.

The application of the MFPD zone to a portion of the Site would allow for the development of a neighborhood consisting of 278 two- and three-bedroom senior and workforce residential units. The proposed Chappaqua Crossing neighborhood would include 20%, or 56, affordable housing units, of which 22 would be 2-bedroom workforce dwelling units, 10 would be 3-bedroom workforce dwelling units and 24 would be 2-bedroom age restricted senior affordable dwelling units. Of the remaining housing units proposed, 200 would be 2-bedroom age restricted senior dwelling units and 22 would be 3-bedroom age restricted senior dwelling units. Two hundred thirty four dwelling units are proposed to be located in eight three-story buildings with enclosed parking in the northern and eastern portions of the Site; the remaining 44 dwelling units are proposed to be two-story townhouses with individual garages in the eastern portion of the Site. The neighborhood would contain recreation and social facilities, as well as include 40 acres of perimeter open space along with approximately 10 acres of internal lawns and garden areas.

The Applicant anticipates that the residential component of the Proposed Action would be completed and occupied within approximately five years after all required approvals and permits are obtained.

5. Approvals Required
The approvals required from the Town of New Castle Town Board for the Proposed Action include the approval of a Preliminary Development Concept Plan for the proposed MFPD district pursuant to Section 60-417.4 of the New Castle Town Code, and the revision to the Town Zoning Map to reflect the modified B-RO-20 District and the new MFPD District. The approval required from the Town of New Castle Zoning Board of Appeals for the Proposed Action is the issuance of an area variance related to the four-tenant restriction currently applicable to the office portion of the Site within the B-RO-20 District. The Applicant requests this variance to remove the user restrictions that prevent it from leasing the office portion of the Site to more than one single large tenant or one primary tenant, as
well as the dimensional restriction that limits tenants other than the primary tenant to a combined area of no more than 171,000 square feet. In addition, the approval by the Town of New Castle Planning Board of a detailed Site Development Plan, subdivision plat, and various environmental permits would be required in accordance with the new zoning and MFPD Preliminary Development Concept Plan request to be approved by the Town Board. Additional State, County and City of New York approvals would also be required.

IV. Scope of Services:

The Scope of Services involves all necessary analyses, documentation, and public involvement to develop and support a comprehensive redevelopment and alternative analysis plan. The firm selected will work closely with the Town Board, Town Staff, and outside consultant to provide the final analysis and product. Services will be provided as outlined below:

1. Task 1- Program Development.

   A. Review of Current Information.
      The Consultant will be required to review relevant written documents and information describing the project area and the goals and needs of the community from a historical, legislative, and fiscal context. At the minimum, the Consultant shall be required to review the following:
      a. HR & A Associates, “Executive Summary: Readers’ Digest Redevelopment” memorandum;
      b. Existing documents completed during conceptual plan development for Chappaqua Crossing; including, but not limited to, the history of the site, the site analysis, traffic analysis, environmental conditions, and flood information;
      d. The Code of the Town of New Castle;
      e. 2007 New Castle Recreation and Parks Master Plan;
      f. 1989 Town of New Castle Development Plan; and
      g. All relevant master planning documents, studies, legislative actions, memorandums, and reports.

   B. Program Development Work Sessions & Community Involvement.
      The Consultant will be required to attend a minimum of two (2) public meetings with the Town Board and two (2) community/stakeholder meetings to fully explore and discuss the proposed development program and finalize the objectives. As part of this task, the Consultant shall describe a proposed public participation process and appropriate feedback methods for the duration of the project. (Note: copies of meeting reports and number of participants should be included in the report as appendices)

   C. Alternatives Identification & Needs Assessment.
      The Consultant will assist the Town Board, Planning Board, and Recreation Board in identifying the programmatic objectives for each of the possible land uses identified through this process. The Consultant will then prioritize the uses in sequential logical
order based on a site/building survey and space needs analysis. The uses currently under consideration by the Town Board in specific order of priority are as follows:

- Ownership of the Wallace Auditorium for general municipal and public performances with an evaluation of the facility being converted to a performing arts center;
- Development of multi-purpose playing field(s) with the possibility of lighting;
- Studio space for New Castle Community Television;

The remaining alternatives under consideration by the Town Board in no specific order of priority are as follows:

- Relocation of the Recreation Department staff offices or other municipal uses;
- Open space preservation with public access;
- An indoor Recreation Center, which would include a pool, basketball courts and space for a teen programs; and
- The adaptive re-use of building(s) 500, 600 and 700 for a municipal use.

2. **Task 2 - Feasibility Study**

   From the previous tasks identified above, the Consultant will work with the Town Board, Planning Board, and Recreation Board to refine the number of potential program options and compile a listing of the most feasible options and alternatives based on established critical evaluation factors. The feasibility study shall examine the impact that would result from each identified use, individually and in the aggregate to determine if the property can serve one or more municipal purposes. The consultant will also assess the practicality of combining the municipal uses with the continuation of the private office use and proposed residential uses.

   **A. Methodology.**

   a. At the minimum, in developing said feasibility analysis, the Consultant will evaluate each of the municipal site alternatives individually and in the aggregate using a matrix containing the following:

   i. A comparable Alternative Scenario methodology and list of critical evaluation factors (e.g. traffic, sewer, and community character/impact) developed by HR & A Associates in the “Executive Summary: Readers’ Digest Redevelopment” memorandum and spatial needs of the community at large;

   ii. The study should include additional critical evaluation factors such as public demand for proposed use, conformance with the vision and objectives of the Town, minimum project and land area (s.f., acres) required for the site, structure/building, and configuration, the compatibility of the use within the site and abutting properties, general environmental impacts, impact on property values, and infrastructure requirements; and

   Said study shall include an estimated net fiscal impact and financial feasibility analysis for each municipal development option evaluated individually and in the aggregate. This shall detail costs associated with acquisition and construction including costs for new facilities, the adaptive reuse of existing
structures, and potential relocations costs of Town staff and operations related to Town uses.

B. Alternatives Prioritization.
Utilizing the information and findings of the developed matrix chart and discussions with the Town Board and community/stakeholders, the Consultant will provide initial recommendations to the Town Board prioritizing potentially suitable and unsuitable development options for the property.

C. Feasibility Analysis Work Session(s).
The Consultant will be required to attend a minimum of two (2) public meetings with the Town Board and one (1) community/stakeholder meeting to present and discuss the results of the Feasibility Analysis and to finalize the short list of preferred planning development options. (Note: copies of meeting reports and number of participants should be included in the report as appendices)


A. Based upon the findings of the feasibility study and discussions with the Town and the community/stakeholders, the Consultant will assist the Town Board, Planning Board, and Recreation Board in developing a Conceptual Design that locates the preferred uses in a sequential order of priority. Said Concept Plan shall provide illustrative plans, views, and elevations to adequately describe the character and layout of all components and program elements as they relate internally within the site and surrounding properties, as well as basic information about traffic/pedestrian circulation and typical travel behaviors.

B. Conceptual Design Plan Presentation. The Consultant will be required to attend a minimum of two (2) public meetings with the Town Board and one (1) community stakeholder meetings and to present the Conceptual Design detailing the themes, program elements, local considerations, environmental and fiscal impacts. It is anticipated that all proposed renderings and design materials would be on display for public comment throughout the public meeting process.

V. Format for Response To Request For Proposal

The response to the “Request for Proposal” must be made according to the requirements set forth in this section, both for content and sequence. Failure to adhere to these requirements or to include conditions, limitations or misrepresentations may be cause for rejection of the submittal. Use 8-1/2” X 11” sheets (fold outs are acceptable for charts, etc.) and type size must be large enough to be easily legible (shall not be smaller than 10 point).

1. Deliver three (3) complete copies of the submittal to the contact person listed below by January 2, 2009. FAX SUBMITTALS WILL NOT BE ACCEPTED.

   Lincoln Daley, Town Planner
   Town of New Castle
   200 South Greeley Street
   Chappaqua, NY 10514
(914) 238-7275
ldaley@town.new-castle.ny.us

Any questions, inquiries and matters of coordination regarding this RFP must be submitted by e-mail to the contact above.

2. Mandatory Content and Sequence of Submittals:

A. Cover Letter.
   Section 1 shall be a maximum two-page “Cover Letter” and introduction, and shall include the name and address of the organization submitting the proposal, together with the name, address, telephone and fax numbers, and email address of the contact person who will be authorized to make representation for the organization.

B. Table of Contents.
   Section 2 shall be a detailed “Table of Contents” and shall include an outline of the submittal, identified by sequential page number and by section reference number and section title as described herein.

C. Consultant Qualifications.
   Section 3 shall be entitled “Consultant Qualifications” and shall include a description of the consultant firm’s resources, experiences and capabilities as they relate to appropriate Comprehensive Plans and like studies, as well as resumes of the staff to be assigned to this project.

Submit in the order identified below:
   a. Background and Experience. In this section, describe your firm’s background and its organizational structure. Describe the roles and background or the team leader and key team members. Describe capabilities specific to the scope of work within this RFP.

   b. Consultants. Describe the background and qualifications for each of the consultants your firm would use in meeting the above capabilities and in preparing this Acquisition and Redevelopment Plan.

   c. Scheduling. Delineate the Acquisition and Redevelopment Plan schedule you propose.

D. Description of Analysis.
   Section 4 shall be entitled “Description of Analysis” and will describe the methodology that you will utilize to provide the analysis requested in this Request for Proposal, taking care to account for the possible changes in scope and methodology.

E. Workplan & Schedule.
   Section 5 shall be entitled “Workplan” and will outline how the consultant’s team intends to prepare and complete the Acquisition and Redevelopment Plan.
F.  Cost Proposal.
   Section 6 shall be entitled “Cost Proposal” and shall provide a breakdown of costs by
hour and by task contained in the Workplan in Section 4. Provide a total “not to
exceed” amount inclusive of ancillary costs, such as copying, travel, meetings, phone,
etc.

G. Experience Summary.
   Section 7 shall be entitled “Experience Summary” and shall briefly describe knowledge
and experience in conducting Comprehensive Plans for large scale mixed use
developments and like studies for other agencies, along with a discussion comparing
similarities with this project. Include professional references, including names and
telephone numbers for each sample project. Also please provide proof of Insurance and
Liability Coverage.

H. Additional Data (this section shall be limited to two pages).
   Section 8 shall be entitled “Additional Data” and shall include any other data the
consultant deems essential to the evaluation of the qualifications and proposal
statements. Where appropriate, please key data back to information contained in
Sections 1 thru 7. If there is no additional data, this section will consist of the statement,
“We wish to present no additional data.”

VI. Selection Process

The selection committee shall be comprised of representatives from the Town of New Castle.
Evaluations of all qualification statements, workplans and cost proposals will consist of two
levels of review. Level I will consist of evaluating the proposals for purposes of establishing a
shortlist. Level II will be used to select the finalists, proposal fact-finding and negotiation of
contract terms and conditions. The Town of New Castle places high value on the following
factors, not necessarily in order of importance:

1. Methodology;
2. Quality and thoroughness of the written proposal;
3. Relevant Experience;
4. Presentation and Collaboration Skills; and
5. Fee/Cost of Services.

An interview may be required with the finalists as determined by selection committee. The
interview may provide an opportunity for the firm to clarify or elaborate on the proposal but will
in no way change the original submission. Key personnel and staff assigned to the Consultant
Team must be present at the interview. The Town of New Castle reserves the right to interview
some, none or all of the respondents, as it deems appropriate. The Town’s request for an
interview shall not constitute acceptance of a proposal.

VII. Terms and Conditions

Any questions related to this RFP are to be directed by email to the Town’s contact person
identified herein. Further, all consultant firms responding to this RFP should note the following:
1. All work performed, including all documents associated with the project, and shall become the exclusive property of Town of New Caste, NY.

2. The Town of New Caste, NY reserves the right to:
   A. Reject and or all submittals.
   B. Request clarification of any submitted information.
   C. Waive any informalities or irregularities in any qualification statement.
   D. Not enter into any agreement.
   E. Not select any consultant.
   F. Cancel this process at any time.
   G. Amend this process at any time.
   H. Interview consultants prior to award.
   I. Issue similar RFPs or RFQs in the future.
   J. Request additional information during the interview.

3. The selected consultant firm is expected to perform and complete the project in its entirety.

4. Any and all costs arising from preparation of this RFP and participation in the selection process incurred by any consultant firm shall be borne by the firm without reimbursements by the Town of New Caste, NY.

5. Minimum Insurance Requirements for Town of New Castle

Prior to commencement of any work under this Contract and until completion and final acceptance of the work, the Contractor/Provider shall, at its sole expense, maintain the following insurance on its own behalf, and furnish to the Owner certificates of insurance evidencing same and reflecting the effective date of such coverage as follows:

The term “Contractor/Provider” as used in this indemnification agreement shall mean and include Subcontractors of every tier.

A. Worker’s Compensation and Employers Liability Policy, covering operations in New York State.

B. Commercial General Liability Policy, with limits of no less than $1,000,000 Each Occurrence/$2,000,000 Aggregate limits for Bodily Injury and Property Damage, and shall not exclude coverage for:
   a. Products/Completed Operations;
   b. Independent Contractors;
   c. Town of New Castle and their assigns, officers, employees, representatives and agents should be named as an “Additional Insured” on the policy and the Certificate of Insurance should show this applies to the General Liability coverage on the certificate;
   d. Each insurance policy shall be written on a primary and non-contributing coverage basis, including any self-insured retentions.
   e. To the extent permitted by New York law, the Contractor/Provider waives all rights of subrogation or similar rights against Town of New Castle, assigns, officers, employees, representatives and agents.
f. Cross Liability coverage (Commercial General Liability and Business Automobile Liability policies only).

C. **Comprehensive Automobile Policy**, with limits no less than $2,000,000 Bodily Injury and Injury and Property Damage liability including coverage for owned, non-owned, and hired private passenger and commercial vehicles;

D. **Umbrella Liability**, with limits of no less than $3,000,000, including coverage for General, Automobile and Professional Liability (if applicable).

E. **Professional Liability** (if applicable), with limits no less than $1,000,000.

F. **Owners & Contractors Protective Liability Policy**, with limits no less than $1,000,000 shall be taken out and maintained during the life of this contract which will protect the Town of New Castle from claims for damages for personal injury, liability, accidental or wrongful death, as well as property damage which may arise from operations under this contract whether such operations be by himself or by any subcontractor or by anyone directly or indirectly employed by either party.

G. **Certificates** shall provide that thirty (30) days written notice, by registered mail with return receipt requested, prior to cancellation or expiration be given to the Town of New Castle. Policies that lapse and/or expire during term of work shall be recertified and received by the Town of New Castle no less than thirty (30) days prior to expiration or cancellation.

The Contractor/Provider shall furnish to Town of New Castle Certificates of Insurance as evidence of coverage prior to commencement of work and naming Town of New Castle as an Additional Insured.

The cost of furnishing the above insurance shall be borne by the Contractor/Provider, there will be no direct payment for this work. Cost will be deemed to have been included in the bid for all scheduled items.

All carriers listed in the certificates of insurance shall be A.M. Best Rated A VII or better and be licensed in the State of New York.

6. **Indemnification:**

To the fullest extent permitted by law, Contractor/Provider shall indemnify, hold harmless and defend Town of New Castle, and agents and employees of any of them from and against all claims, damages, losses or expenses including but not limited to attorney’s fees arising out of or resulting from the performance of the agreement. Not withstanding the foregoing, Contractor/Provider’s obligation to indemnify Town of New Castle, and agents and employees of any of them for any judgment, mediation or arbitration award shall exist to the extent caused in whole or in part by (a) negligent acts or omissions, or (b) violations of regulatory or statutory provisions of the New York State Labor Law, OSHA, or other governing rule or applicable law; by the Contractor/Provider anyone directly or indirectly employed by it or anyone for whose acts it may be liable in connection to such claim, damage, loss and expense. The obligation of the Contractor/Provider to indemnify any
party under this paragraph shall not be limited in any manner by any limitation of the amount of insurance coverage or benefits including worker’s compensation or other employee benefit acts provided by the Contractor/Provider.

ATTACHMENTS

- **Attachment 1:** HR & A Associates Development – “Executive Summary: Readers’ Digest Redevelopment” dated August 2008.

- **Attachment 2:** “Chappaqua Crossing” Project Information and Site Layout.
ATTACHMENT 1:

HR & A Associates Development – “Executive Summary: Readers’ Digest Redevelopment”.
MEMORANDUM

TO: New Castle Town Board

FROM: HR&A Advisors

DATE: August 25, 2008

RE: Executive Summary: Reader’s Digest Redevelopment

On behalf of the Town of New Castle, HR&A Advisors analyzed the development plan proposed by Summit/Greenfield (the “Developer”) for the former Reader’s Digest site to assess the financial implication of the proposed development and to advise the town on the extent to which possible alternatives exist that may mitigate or exacerbate the town’s concerns. To this end, HR&A has met with local officials and stakeholders, consulted developers and local commercial brokers, reviewed town data and developed an analytical framework to evaluate the Developer’s Proposal.

HR&A developed five scenarios in response to community concerns and limitations of the Reader’s Digest site. These scenarios serve to compare the impact of the Developer’s Proposal to a range of possible alternatives. The Developer’s Proposal and all alternative scenarios were evaluated using metrics identified by HR&A as the most critical to the Town of New Castle and the surrounding community.

- Traffic. HR&A estimated the traffic impacts associated with each development scenario.
- Sewer. The Saw Mill Sewer District does not currently cover the entire site. HR&A evaluated each development scenario to determine whether extension of the sewer was required.
- Town Character. HR&A identified the extent to which each development scenario reflected the Town of New Castle in terms of architecture, density, and open space.
- School Impact. Using both Westchester County and Chappaqua census data, HR&A estimated the number of new school children generated by each development scenario. HR&A assessed each scenario both with and without age restricted residences.

These four critical factors guided HR&A’s assessment of each development scenario. The chart below outlines HR&A’s preliminary evaluation.
<table>
<thead>
<tr>
<th>Scenarios</th>
<th>Description</th>
<th>Traffic</th>
<th>Sewer</th>
<th>Town Character</th>
<th>Schools</th>
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</thead>
<tbody>
<tr>
<td>Existing Conditions</td>
<td>Current site use</td>
<td>Operating at capacity in morning commute</td>
<td>Served by sewer</td>
<td>• Unconventional for Town of New Castle</td>
<td>No school children</td>
</tr>
<tr>
<td>developer’s Proposal</td>
<td>Additional commercial space and 278 residential units</td>
<td>Significant impact (2,400 new round trips per day)</td>
<td>Requires approval of sewer extension</td>
<td>• Architecture is in-line with community</td>
<td>Age restricted: 6 (County data) 10 (Chappaqua data) Non-age restricted: 36 (County data) 86 (Chappaqua data)</td>
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<tr>
<td>developer’s Proposal without Sewer Extension</td>
<td>Developer’s Proposal reduced to allow development without sewer extension</td>
<td>25% fewer trips than Developer’s Proposal</td>
<td>Served by sewer</td>
<td>• Distinct separation between residential and commercial</td>
<td>Age restricted: 2 (County data) 6 (Chappaqua data) Non-age restricted: 15 (County data) 46 (Chappaqua data)</td>
</tr>
<tr>
<td>Existing Commercial Use Plan</td>
<td>Full commercial occupancy of site</td>
<td>4% fewer trips than Developer’s Proposal</td>
<td>Served by sewer</td>
<td>• Consistent with original density</td>
<td>No school children</td>
</tr>
<tr>
<td>Additional Commercial Use Plan</td>
<td>Additional commercial development</td>
<td>40% more trips than Developer’s Proposal</td>
<td>Served by sewer</td>
<td>• Consistent with original density</td>
<td>No school children</td>
</tr>
<tr>
<td>HR&amp;A’s Alternative Scenario</td>
<td>Fewer residential units and less commercial space than Developer’s Proposal</td>
<td>66% fewer trips than Developer’s Proposal</td>
<td>Served by sewer</td>
<td>• Distinct separation between residential and commercial</td>
<td>Age restricted: 1 (County data) 2 (Chappaqua data) Non-age restricted: 6 (county data) 16 (Chappaqua data)</td>
</tr>
</tbody>
</table>

HR&A further evaluated the financial implications of each development scenario.

**Financial Feasibility**

Using reasonable assumptions based on information from the developer, Town staff and consultants and local professionals, HR&A made order of magnitude projections for the financial feasibility of each development scenario. Each proposed development scenario produces a return for the developer. The largest returns are generated by the Developer’s Proposal and the Existing Commercial Use. Negligible returns are produced by the Developer’s Proposal without Sewer Extension.

**Net Fiscal Impacts**

HR&A conducted a preliminary assessment of the net fiscal impacts generated by each scenario for both the Town of New Castle and the Chappaqua Central School District. This analysis estimates the additional revenues generated by the project site by each development option. Under the age-restricted conditions as well as the non-age-restricted conditions, the Additional Commercial Use scenario generates the largest net revenues. The Developer’s Proposal only generates net revenues under the age restricted scenario and those revenues are minimal.

Additional clarification of HR&A’s findings and methodology is provided in the attached memorandum.
MEMORANDUM

<table>
<thead>
<tr>
<th>TO:</th>
<th>New Castle Town Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>FROM:</td>
<td>HR&amp;A Advisors</td>
</tr>
<tr>
<td>DATE:</td>
<td>August 25, 2008</td>
</tr>
<tr>
<td>RE:</td>
<td>Reader’s Digest Redevelopment</td>
</tr>
</tbody>
</table>

Overview of Work

HR&A was retained to provide an assessment of the financial implications of the development plan proposed by Summit/Greenfield (the “Developer”) for the former Reader’s Digest site, and to advise the town on the extent to which possible alternatives exist that may mitigate or exacerbate the town’s concerns regarding development of the site. This memorandum presents a preliminary assessment, all calculations are subject to change, and are expected to change, as more information becomes available.

HR&A has met with town officials and employees, including representatives from the Town Board, the Tax Assessor’s Office, the Chappaqua School District, Chappaqua Police and Fire Departments, and Emergency Services. We have also talked with developers and commercial and residential brokers in the area and consulted with planners and traffic engineers. In addition, we have watched videos of two of the most recent public EIS scoping sessions in order to better understand the concerns and desires of the community in regards to this site. We have gathered data about the town’s taxes and expenses, the costs of maintaining the Reader’s Digest site and information about the Developer’s proposed plan. We have made order of magnitude projections about the fiscal impacts of the proposed plan, and other alternatives. We have also performed an initial market assessment of residential development and sales in the area so as to provide an early appraisal of the economics of the Developer’s plan for the Reader’s Digest site.

This memorandum presents an initial exploration of possible development options. HR&A has formulated five development scenarios that respond to potential limitations to development on the site. The five scenarios include an assessment of the developer’s proposal, the proposed plan without expansion of the Saw Mill Sewer District, the “as of right” development plan, the “as of right” development program with assumed additional square footage and, finally, a development alternative that HR&A formulated in response to site and market constraints and community concerns. Through these five points of view, the projected fiscal impacts have been roughly estimated. A discussion of the fiscal impacts follows the individual scenario assessments.
The Six Scenarios

Existing Conditions

HR&A has assessed the impacts of the current use of the site, including the fiscal impact on the town and the Developer's return on investment as the site is used today.

Developer's Proposal

The Developer's proposal would rehabilitate and re-tenant 171,000 square feet of existing commercial space, resulting in 520,000 square feet of occupied commercial space. The Developer has requested the existing tenant restriction for commercial space be removed to allow for use by more than four tenants. The Developer would demolish several existing buildings, including commercial buildings 600 and 700, and would develop 278 units of housing, approximately 380,000 square feet of new residential development.

Developer's Proposal without Sewer Extension

The Developer's current development plan relies on the availability of sewer for the multifamily housing in the North Village. Currently this area is not attached to sewer and the existing structure (a garage) is served by a septic system. Given the possibility that the Saw Mill Sewer District will not be expanded to include new areas on the site, HR&A has estimated the size of a development constrained by a lack of a sewer connection. Assuming the rest of the plan remained stable, all of the housing in the North Village would be eliminated—this would include four of the eight garden style apartment buildings, with a total of 170 units. The number of total units on the site would be reduced from 278 to 108; the residential square footage would be reduced by 220,000 square feet.

Existing Commercial Use Plan

HR&A has also considered the ramifications of full occupancy under the existing zoning with no new construction of commercial buildings. The resulting commercial development would consist of 675,000 square feet of commercial, an addition of more than 400,000 square feet to the existing program (Reader's Digest currently leases 265,000 of space).

Additional Commercial Use Plan

The Developer also asserts the right to build an additional 300,000 square feet of office under current zoning. This would result in an office development of 975,000 square feet. This scenario has also been considered.

HR&A's Alternative Scenario

Finally, in response to the information gleaned from the analysis of the preceding development scenarios, and in response to information gathered throughout this process, HR&A has generated a development plan that responds to the various potential development limitations. HR&A constructed a plan that would scale back both commercial and residential components of the developer’s plan. This plan would entail demolishing buildings 500, 600 and 700, thus reducing the commercial space to 380,000 square feet from 520,000 (in the proposed plan). Residential would be limited to the East Village area that is already within the Saw Mill Sewer District. Residential units would be reduced from 278 units to 60 townhomes.
Assessment of Development Plans

Each of the following development scenarios is viewed through four lenses. The lenses were selected based on HR&A’s understanding of the primary concerns of the community and potential limitations on development. The single biggest environmental concern, and one with a potential significant impact on the community, is traffic. HR&A has also considered the availability of sewer connection, consistency with the town’s character, and impact on schools.

Traffic

At this point, HR&A has estimated traffic impacts using a very crude traffic calculator. As part of the EIS process a much more sophisticated analysis of traffic should, and will be, conducted. For example, that analysis would take into consideration the frequency and timing of trips of the active adult population versus the workforce population. Different types of commercial tenant traffic would also be estimated, based on the Developer’s proposed usage of the space. This traffic analysis in this report should only be considered a rough proxy for use only in these preliminary discussions.

Sewer - Expansion of the Saw Mill Sewer District

At the moment only a portion of the site is served by sewer, which is provided by the Saw Mill Sewer District. MFDP zoning appears to require connection to municipal sewer.

Concerns about New Castle’s Character

During the course of our discussions with town officials, and in the scoping sessions, HR&A heard many people voice concerns regarding preserving the “tone and character” of New Castle. Several themes were articulated by residents in reference to this topic. Architectural quality, density of housing and preservation of open space were all mentioned on numerous occasions.

New Castle is a classic New England town consisting of older single family homes in colonial styles. More than 75% of the housing was built before 1980. Much of the town is zoned for one acre lots. Lots for single family homes are often larger than required by zoning. As a result of the large lot sizes dictated by current zoning, and the type of development that has occurred organically over time, the town enjoys ample private open space. Homes in New Castle are typically buffered on all sides by open space, much of which is wooded and natural in character.

Residents of New Castle value the Reader’s Digest site as it is currently utilized because it includes ample open space and the existing buildings fit, for the most part, within the traditional architectural vocabulary of the town. In an effort to address the concerns of the town in regards to “tone and character,” HR&A has assessed each development scenario regarding architectural character, density and open space concerns.

Schools

HR&A has considered the issue of school child generation under various approaches and decided upon two methodologies to utilize. The first methodology deals with the robustness of the generation factors. In order to achieve a robust sample, the sample area needs to expand to include part of surrounding Westchester County. HR&A recognizes, however, that Chappaqua has a higher concentration of families with children under the age of eighteen than Westchester County as a whole. As a result, child generation factors are calculated under a statistical method and another more local method. Additionally, in order to be conservative, HR&A calculated generation factors both for the developer’s proposed age-restricted scenario and under a completely non-age restricted scenario. This was done in order to estimate what would occur if the age restriction was proven not to hold for any reason.
HR&A first estimated the number of school children that would be generated by each scenario that includes a residential program. HR&A used census data from Westchester County to calculate the number of children that would be generated by Summit/Greenfield's proposed development, and the same development with no age-restricted housing. It was necessary to use county data in order to have a sample of attached townhouse and multifamily units that is sufficiently large to be statistically accurate.

According to 2000 census data, 32% of households in Westchester include children under 18, as compared to 52% of households in Chappaqua. That discrepancy suggests that school generation rates for Chappaqua's overall housing are much higher than for the county as a whole, and therefore it is likely that townhouse and multifamily units in Chappaqua may also generate higher rates of school children than the same type of housing in the county at large. This theory is also supported by the school generation rates for town houses that were provided by the Chappaqua School Board. These rates are very approximate (the board used addresses to estimate the number of children living in townhouse developments) but show much higher generation rates than the rates for townhouse developments in Westchester County. In order to address this discrepancy HR&A has made projections for school generation rates of the residential component of the project using both the county data and the Chappaqua School Board data.

**Existing Conditions**

**Traffic**

Traffic in the area is already problematic, even with the Reader's Digest site not leased to maximum existing capacity. Traffic during the mornings is particularly problematic as workers arrive to the Reader's Digest site at approximately the same time that the high school students are commuting to school. Residents of the town report that traffic is slow for approximately two hours each morning. A traffic analysis conducted by John Collins Engineers, P.C. in May of 2005 found that the intersection of Roaring Brook Road and the Saw Mill Parkway is already operating at capacity during peak morning hours.

**Sewer**

Under existing conditions the majority, if not all, of the buildings are served by the Saw Mill Sewer District.

**Town's Character**

The Reader's Digest site is very distinct from typical uses in the town. It is the only large scale commercial site within the Town of New Castle. However, the site has been utilized as a corporate campus for more than 75 years, so the current use, while unconventional, is traditional for that site. When the site was owned and occupied by Reader's Digest, the site was made available for public uses, such as the Fire Department's annual Easter egg hunt and for parking for high school football games and graduation events. In recent years, under the new ownership of Summit/Greenfield, public use of the site has been curtailed.

**Schools**

Currently the site has no residential units and generates no school children.
Developer's Proposal

Traffic

The traffic generated from the developer’s proposal would be significant. The proposal calls for approximately 380,000 square feet of net new residential and 250,000 square feet of net new commercial. The new round trips generated by this development would be approximately 2,400 a day. 60% of the new trips would be attributed to the new commercial and 40% would be attributed to residential development.

Sewer

The developer’s plan assumes that all of the residential development will fall within a newly expanded Saw Mill Sewer District. It is possible that the expansion of the sewer district will not be allowed, and, therefore, this plan would not be possible in its current form.

Town's Character

The rendering of the proposed development displays buildings in the colonial style that are in keeping with the architectural vocabulary of the town. How well these buildings will ultimately relate to existing structures will depend greatly on the type and quality of materials used in their construction.

The developer’s proposal for residential and commercial development on the site would result in a dense development that would be unique in New Castle. The garden style housing that is being proposed is very unusual for New Castle; each building would house approximately 40 units. The proposed units are of a size and density unlike anything HR&A is aware of in the town. Additionally while there are townhouse developments within New Castle, none are adjacent to a large commercial development.

The developer has maintained a green buffer around the residential development, intending to lessen the visual impact of the new buildings. The amount of green space between the various residential buildings is very limited.

Parking for the residential units will be in the buildings or below ground. The developer has not made significant changes to the parking for the commercial tenants. It will be necessary for the Developer to thoroughly screen the commercial parking areas in order to provide a visual setting for the residential development that is comparable to the environment enjoyed by existing New Castle homes.

Schools

<table>
<thead>
<tr>
<th></th>
<th>Westchester Statistical Generation</th>
<th>Chappaqua School Board Estimated Generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age Restricted</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Non-Age Restricted</td>
<td>36</td>
<td>86</td>
</tr>
</tbody>
</table>
Developer's Proposal without Sewer

Traffic
Daily trips would be reduced by 25% from the Developer's Proposal that assumes the extension of the sewer district, and the accompanying residential development in the North Village.

Sewer
This plan accounts for the difficulty in obtaining sewer.

Town's Character
This modified plan would maintain a more distinct separation between the residential and commercial portions of the site. Residential development would be limited to the area which currently has several single family homes and the Auditorium. The style of the residential development could be designed to conform with the existing architecture in the area, but the density would be unusual for the community. The townhouses would be most visible from Roaring Brook Road and Cowdin Lane, and may help to screen the multifamily developments that would be built behind them.

Schools

<table>
<thead>
<tr>
<th></th>
<th>Westchester Statistical Generation</th>
<th>Chappaqua School Board Estimated Generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age Restricted</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Non-Age Restricted</td>
<td>15</td>
<td>46</td>
</tr>
</tbody>
</table>
Existing Commercial Use

Traffic

Exclusive commercial use of the site would probably generate slightly less traffic than under the proposed plan, a decrease of approximately 4%. The developer currently proposes a plan that would permanently remove approximately 150,000 square feet of office space, but would replace it with more than 300,000 square feet of residential. The traffic impacts of either 150,000 SF of office or 300,000 SF of residential are roughly equal at about 2,700 trips a day, due to the fact that a given square foot of commercial will generally contain twice as many people as a residential use. However, new traffic generated by this program would likely be concentrated during commuter and school rush hours, the time periods that are already problematic under existing conditions.

For general reference, the John Collins Engineers 2005 study found that if an additional 155,000 square feet of office space was tenanted the Level of Service for the Roaring Brook Road and the Saw Mill Parkway intersection would rate as a ‘D’. Level of Service ratings are defined by transportation professionals on a scale from A to F. Intersections with an ‘A’ rating are the least congested and ‘F’ are the most congested. The ‘D’ rating for this intersection indicates that the traffic flow is considered acceptable to transportation professionals during peak periods.

Sewer

Rehabilitation of existing commercial buildings is not dependent on any sewer issues.

Town's Character

This approach would, in some ways, be consistent with the commercial use of the site by Reader's Digest. However, developing a full 675,000 feet of office, to be occupied by four or more tenants, may result in a very different style of use. For example, when Reader's Digest was operating at maximum capacity the company mitigated traffic impacts on the community by busing workers to and from work. If the Developer is successful in removing the tenant restriction, and introduces high traffic office uses, like doctors' offices, the traffic impact on the community could be much greater than that of the Reader's Digest campus when it was at its highest capacity. For example, traffic engineers at FP Clark estimate that doctors' offices generate four times as many trips per 1000 square feet as a corporate headquarters.

Schools

No school children would be generated by this plan.

Additional Commercial Use

This program would have similar impacts as the Existing Commercial Use program. The critical exception is increased traffic generation. A full commercial build out, with approximately 975,000 square feet of office, as opposed to 675,000, would result in a 40% increase in traffic from the As of Right plan, depending, of course, on the nature of the tenants' businesses. The resulting traffic impacts would also generate approximately 40% more net new traffic than the developer's proposed development.
Alternative Development Program

Traffic

Traffic impacts would be roughly two thirds less than that of the developer's proposal, and less than half of the traffic impacts of the Developer's As of Right Program (without additional development), resulting in approximately 832 net new trips a day.

Sewer

This development does not require any extension of sewer.

Town's Character

The use of the site in this scenario would be fairly consistent with its present, and historic, use. Commercial use would be increased from the currently utilized 265,000 square feet to 380,000 square feet. The residential component would be a new use, located in an area of the site that is already zoned for residential development. The topography of the property would create a natural physical separation between the commercial and residential areas of the site.

Schools

<table>
<thead>
<tr>
<th></th>
<th>Westchester Statistical Generation</th>
<th>Chappaqua School Board Estimated Generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age Restricted</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Non-Age Restricted</td>
<td>6</td>
<td>16</td>
</tr>
</tbody>
</table>
Financial Feasibility of the Development Alternatives

In order to assess the financial feasibility of the different development scenarios HR&A gathered information from the Developer, staff and consultants for Town of New Castle, publicly available information, and interviews with local professionals. HR&A used this information to determine, as best as possible, the development assumptions underpinning this analysis. Changes to any of these assumptions, particularly changes related to cost or project timing, can alter project feasibility to a large degree. Below is a listing of the major assumptions and their sources:

Assumptions provided by the Developer and utilized directly in the analysis

• Project start date
  o 2015 – initial residential occupancy
• Unit mix for residential units
  o 278 total units; North Village and East Village multifamily buildings and 44 Townhouses
• Breakout of market vs. affordable units and age-restricted vs. family units
  o 20% overall affordable; 36 units non age-restricted and affordable
• Price points of residential units
  o Affordable units @ 80% Westchester County AMI
  o Market Garden Style Units @ $750k - $900k; TH @ $1.3 - $1.5 M
• Reader’s Digest lease length
  o Long-term lease of 30 years

Assumptions provided by the Developer and combined with other research

• Residential unit sizes
  o Developer’s unit sizes ranging from 1,600 SF to 2,250 SF
  o Amended to range from 1,350 – 1,800 SF, a 15-20% reduction.
• Residential absorption
  o Developer proposing a phased development, with HR&A initial assumption of 5 years accepted.
  o Amended to 3 years in order to help project feasibility

Assumptions requested from the Developer but not received

• Lease abstract or detail for Reader’s Digest lease
  o Assumed initial $5.7M lease, escalating at 3% annually
  o Assumed triple net rent
• Residential construction costs
  o Received estimates ranging from approximately $250 to $375 PSF, utilized $300
• Commercial rehab costs
  o Utilized $50 PSF

Assumptions generated solely through research and interviews

• Growth projections
  o Construction costs @ 5.5% per annum based on Turner Construction
  o Unit Sales @ 3.3% based upon 5 year NY area CPI average
• Commercial absorption
  o Received estimates ranging from 4 years to ‘Will never lease up the site’
• Assumed an 8 year absorption
  • Assumed local submarket occupancy of 88% was full occupancy
• Commercial rents
  • Received confirmation from multiple brokers of $25 PSF
  • Assumed triple net leases
• Project financing parameters
  • Assumed 50% of the acquisition was debt financed
  • Assumed all financing was interest only
• Site infrastructure costs
  • Received an estimate from Scott Baird, hired by the Town to do cost estimation

The table below represents an initial estimate of the returns associated with the developer’s proposed program and the listed alternatives.

<table>
<thead>
<tr>
<th>Proposed Programs</th>
<th>Equity Returns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer Proposal</td>
<td>11.0% - 14.0%</td>
</tr>
<tr>
<td>Developer Proposal w/o sewer</td>
<td>7.0% - 9.0%</td>
</tr>
<tr>
<td>Additional Commercial Use</td>
<td>10.5% - 13.0%</td>
</tr>
<tr>
<td>Existing Commercial Use</td>
<td>11% - 13.5%</td>
</tr>
<tr>
<td>Current Conditions</td>
<td>9.0% - 13.0%</td>
</tr>
<tr>
<td>HR&amp;A Alternative Development Program</td>
<td>10% - 13.0%</td>
</tr>
</tbody>
</table>
Net Fiscal Impacts of the Development Alternatives

The table below represents rough, preliminary projections that are ranges of net revenues to the Town of New Castle under the development scenarios that have been discussed. Net revenues are just one very specific measure of the value of each program and should be considered in conjunction with the many soft costs associated with the various programs that cannot be adequately quantified. The impact of traffic on the town as a whole, and on the immediate community is not, for example, reflected in these numbers. In addition, HR&A has significant concerns about the residential pricing for the developer's proposal. The preliminary tax revenue projections assume that the developer achieves the residential pricing targets. If the developer does not achieve the pricing targets, estimated tax revenues will decrease at a rate commensurate with the gap between the residential pricing targets and the residential prices attained.

All scenarios listed below only refer to the net fiscal impact, after costs, above and beyond the existing taxes paid by the current site, which generates approximately $1.2 million in total local revenues, with $.2 million in gross revenues to the town and $1 million in gross revenues to the Chappaqua Central School District. Total revenues for the five scenarios were calculated both with and without age restrictions in place.

<table>
<thead>
<tr>
<th>Proposed Programs</th>
<th>Net Revenues to the Town of New Castle (million)</th>
<th>Net Revenues to the Chappaqua Central School District with Age-Restricted Units (million)</th>
<th>Total Net Revenues with Age-Restricted Units (million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer Proposal</td>
<td>$(0.7) - (1.1)</td>
<td>$1.5 - 2.2</td>
<td>$0.4 - 1.5</td>
</tr>
<tr>
<td>Developer Proposal w/o sewer</td>
<td>$(0.5) - (1.0)</td>
<td>$0.7 - 1.1</td>
<td>$(0.3) - 0.6</td>
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<tr>
<td>Additional Commercial Use</td>
<td>$(0.4) - (0.8)</td>
<td>$2.3 - 2.9</td>
<td>$1.5 - 2.1</td>
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<tr>
<td>Existing Commercial Use</td>
<td>$(0.1) - (0.5)</td>
<td>$1.3 - 1.8</td>
<td>$0.8 - 1.7</td>
</tr>
<tr>
<td>Current Conditions</td>
<td>$0 - (0.4)</td>
<td>$1 million</td>
<td>$1.2 million</td>
</tr>
<tr>
<td>HR&amp;A Alternative Development Program</td>
<td>$0 - (0.4)</td>
<td>$0.7 - 1.1</td>
<td>$0.3 - 1.1</td>
</tr>
</tbody>
</table>
## Without Age Restrictions

<table>
<thead>
<tr>
<th>Proposed Programs</th>
<th>Net Revenues to the Town of New Castle*</th>
<th>Net Revenues to the Chappaqua Central School District with no Age-restricted Units(2)</th>
<th>Total Net Revenues with no Age Restricted Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer Proposal</td>
<td>$(0.7) - (1.1) million</td>
<td>$(0.2) - 0.4 million</td>
<td>$(1.3) - (0.3) million</td>
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<tr>
<td>Developer Proposal w/o sewer</td>
<td>$(0.5) - (1.0) million</td>
<td>$(0.1) - 0.4 million</td>
<td>$(0.9) - (0.1) million</td>
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<tr>
<td>Additional Commercial Use</td>
<td>$(0.4) - (0.8) million</td>
<td>$2.3 - 2.9 million</td>
<td>$1.5 - 2.5 million</td>
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<tr>
<td>Existing Commercial Use</td>
<td>$(0.1) - (0.5) million</td>
<td>$1.3 - 1.8 million</td>
<td>$0.8 - 1.7 million</td>
</tr>
<tr>
<td>Current Conditions</td>
<td>$0 - (0.4) million</td>
<td>$1 million</td>
<td>$1.2 million</td>
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<tr>
<td>HR&amp;A Alternative Development Program</td>
<td>$0 - (0.4) million</td>
<td>$0.7 - 1.1 million</td>
<td>$0.3 - 1.1 million</td>
</tr>
</tbody>
</table>

*These revenues are total revenues for the Town of New Castle only. No tax revenues for Westchester County and the Saw Mill Sewer District have been included.

(1) Most conservative assumption based on Westchester Statistical Generation and age-restricted units.

(2) Least conservative assumption based on Chappaqua School Board generation and no age-restricted units.
Summary

HR&A was tasked with developing a framework for helping the New Castle Town Board analyze the Developer’s proposal against other alternatives that were either likely to occur or that served as relevant benchmarks. These alternatives were: Existing Conditions; Developer’s Proposal without Sewer Extension; Existing Commercial Use Plan; Additional Commercial Use Plan and HR&A’s Alternative Scenario. These scenarios were all analyzed under the lenses of impacts made to local traffic, infrastructure, adherence to Town character and schools.

Regarding traffic impacts, it was found that the Developer’s Proposal, Existing Commercial Use and Additional Commercial Use plans would likely have a large impact on local traffic. The Developer’s Proposal without Sewer Extension and HR&A’s Alternative Scenario would have a smaller impact than the above mentioned scenarios, and all scenarios will increase the total amount of traffic on site.

Regarding infrastructure impacts, it was found that most residential use on site would likely be limited by need for sewer access according to the zoning requested. The siting and placement of any potential residential would be key in regards to its feasibility.

Regarding Town Character, it was found that the Developer's Proposal would create a development that would be somewhat atypical in relation to existing Town character in terms of project density and mix of use. Elements of the proposed plan could be revisited in order to create a plan that conforms more to the local character.

Finally, regarding schools, it was found that the school budget and capacity would likely not face major issues under any age restricted scenario or commercial development only scenario. However, should a large number of units be developed under any non-age restricted scenario, the fiscal and capacity impacts could range anywhere from slightly negative to relatively neutral.

Additionally, HR&A calculated preliminary projections of the fiscal impacts for each scenario. As stated above, the Developer’s Proposal does not generate a significant fiscal impact. According to HR&A estimates, only under the lowest potential school children generation factors utilizing county level data and holding age restrictions permanently in place does the Developer’s Proposal have the potential to match or outperform the existing conditions. The highest potential net fiscal gain to the municipality could be realized through utilizing and/or expanding the existing commercial development.
Listing of Interviewees and Contacts

New Castle Staff and Consultants
Frank Annunziata, Former Town Engineer
Scott Baird, Costing Consultant
James Baynes, Acting Chief of Police
Janet Benton, Pres. of Bd of Ed.
Robert Breen, Chief (outgoing)
John Chow, Assis. Super
Bob Cioli, Current Acting Town Engineer
Jerry Faiella, Town Administrator
David Fleishman, Super of Schools
Michael Galante, FP Clark (Consultant)
Barbara Gerrard, Supervisor Elect of Town Board
John McGrory, Town Assessor
Joanne Meder, Planning Consultant
Andy Metz, Fire Dpt.
Gerry Moerschel, Former Commissioner of Public Works
Gail Oestreicher, CVAC (ambulance)
Jan Schwark, Fire Dpt.
Jill Shapiro, Town Clerk
Anthony Vaccaro, Commissioner of Public Works
Janet Wells, Current Town Board Supervisor

External Contacts
Carl Silbergleit, Friedland Realty
Grubb & Ellis, Armonk Office*
CB Richard Ellis, Stamford Office*
Wilder-Balter Partners*

Summit / Greenfield
Andy Tung, Architect, Divney, Tung and Schwalbe
David Walsh, Summit

* Individual names redacted upon request
# Traffic Generation Calculator - FP Clark

<table>
<thead>
<tr>
<th></th>
<th>Single Trips per unit</th>
<th>Unit</th>
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<tbody>
<tr>
<td>Office Park</td>
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<td>1000 sf</td>
</tr>
<tr>
<td>Corporate Headquarters</td>
<td>7.98</td>
<td>1000 sf</td>
</tr>
<tr>
<td>Single Tenant</td>
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<td>1000 sf</td>
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<td>R&amp;D Center</td>
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<td>Medical Offices</td>
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<td>All Townhouse</td>
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</tr>
<tr>
<td>Age Restricted Multifamily</td>
<td>6.72</td>
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</tr>
<tr>
<td>Non Age Restricted Multifamily</td>
<td>9.57</td>
<td>unit</td>
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<td>Developer Proposal</td>
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<td>Developer Proposal w/o sewer</td>
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<td>14</td>
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ATTACHMENT 2

“Chappaqua Crossing” Project Information and Site Layout.