

May 22, 2017

Dear Mayor Noble and Common Council Members:

I write you today in connection with the Petition to Rezone the 300 Flatbush Avenue site. In observing the process before your Council and the Planning Board, I've noted that one of the narratives presented by certain opponents is that the proposed housing development is not the highest and best use for the property, and that a boutique hotel or other purely commercial use would be preferred as both a community neighbor and a property tax generator. I write to provide some objective insight into that narrative, as you consider the rezoning. I note that I have no "dog in the fight," so to speak; I offer this letter so that your decision on activating this currently vacant parcel is as informed as possible.

As a quick background, our group of companies (over 100 companies owned) are very experienced real estate investing, developing, building, and property managing commercial and residential properties. With 35 years of experience, my firm has developed and owned millions of square feet of commercial and residential properties throughout the USA. As for a local project, we recently developed the old Miron precast plant property across from Adams on Rt. 9w, which now houses the CareMount Medical building and several other users.

We actually looked at this property in early 2015 as a possible commercial development site, and did not pursue it further. As a potential hotel site, it is compromised by the fact that just up the road, numerous hotels are in operation and are now suffering with low vacancy. The demand for rooms is insufficient to support another major brand or boutique hotel.

As a commercial pad in general, the site suffers from being in a market with hundreds of thousands of square feet of vacant square footage in existing commercial buildings and pad sites. Sadly, the rents that need to be obtained to support new or redeveloped commercial space, simply cannot be commanded in Ulster County in this market, at this time. Let's all hope that changes at some point in the future.

I've also noted with interest, the objection that a private user would generate enormous taxes in comparison to the proposed use. I caution you that is by no means certain. Given the challenges of commercial development in the region and present local economic climate, it is likely that any commercial developer would pursue tax relief in order to make the project work.

Lastly, although the site has one commercial exposure along 9W, that exposure is set off the road behind a tree line, and the balance of the site seems to be within a residential corridor suited to multiple dwelling development.

I hope you find this useful in considering the rezoning.

Sincerely,



Joseph Kirchhoff