Clinton County

SITE-SPECIFIC FINANCIAL FEASIBILITY

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PREPARED FOR:

County of Clinton Industrial Development Agency

camoin associates

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CONTENTS

EXECUTIVE SUMMARY

The Clinton County Housing Needs Assessment analyzed demographic, economic, and housing market conditions to understand the factors influencing housing supply, demand, and household needs at the municipal level. A comprehensive housing demand analysis quantified and qualified current and projected (5-year) housing needs, including market-rate and below-market demand, broken down by tenure, household size, age, and income, with county-level data disaggregated to the municipal level.

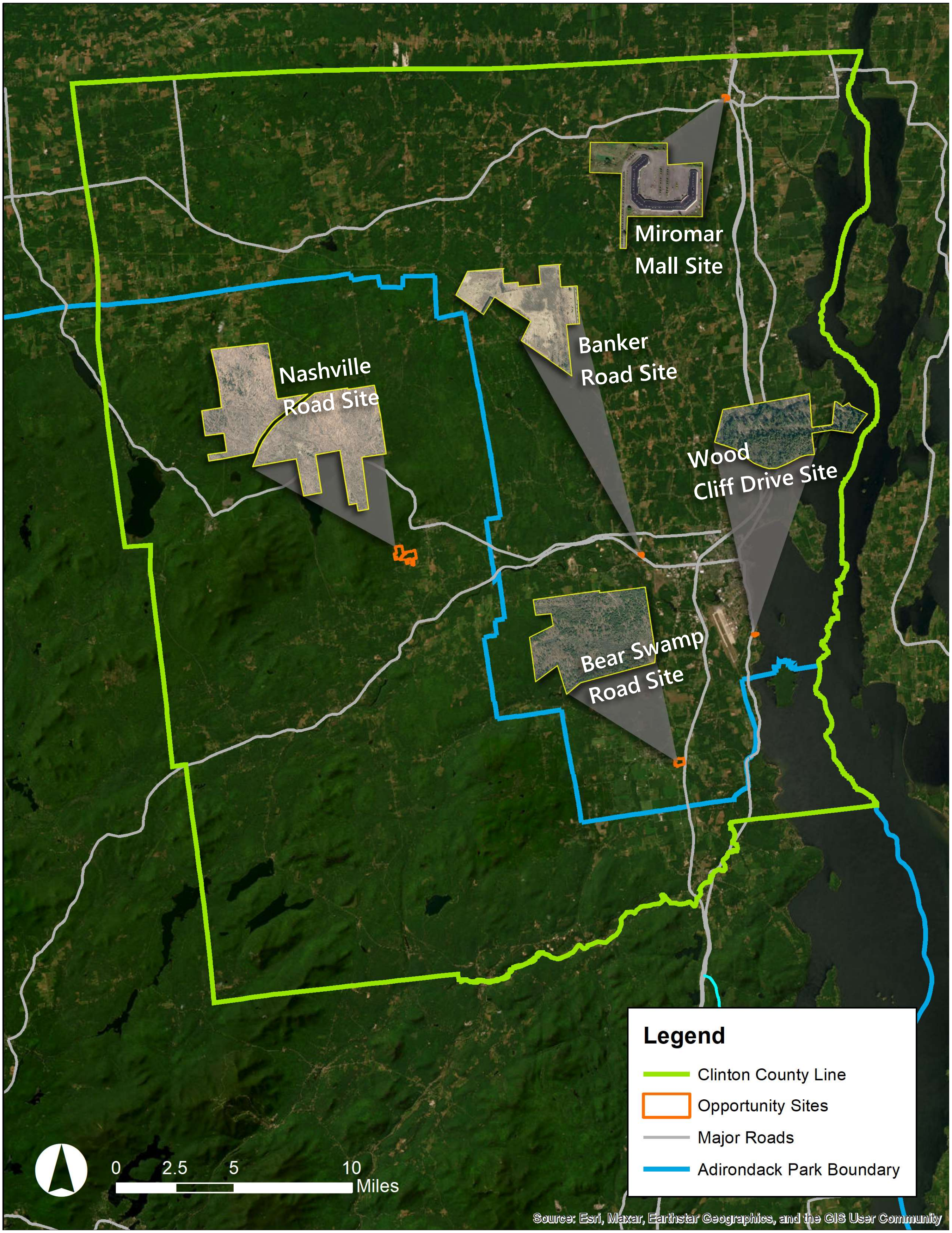
The Needs Assessment revealed significant housing challenges in Clinton County. An aging population, shrinking household sizes coupled with demand for larger units, and severe rental affordability issues (nearly half of all renters, and 59% of senior renters, are cost-burdened) are key concerns. Despite rising employment, levels remain below pre-pandemic figures. Limited rental availability drives up prices while soaring home prices and high mortgage rates put homeownership out of reach for many. A decade of underbuilding has created a deficit of over 1,000 units, requiring the construction of at least 1,100 new homes over the next five years to meet growing household numbers and replace aging stock. This demand spans a range of needs, from young families seeking starter homes to fixed-income seniors and households requiring financially attainable options.

Building on the prior Needs Assessment, Camoin Associates, along with the Clinton County IDA, identified 30+ properties with residential development potential (vacant land, conversions, underutilized sites) using data from CoStar, assessors' records, MLS, and expert interviews. Five key sites were selected for in-depth financial analysis, assessing site-specific characteristics and market viability. Development concepts were created for each site, considering market demand, infrastructure, zoning, and other factors, targeting specific segments like market-rate and workforce housing, and aligning with local affordability constraints.

Based on these demand factors, the analysis in this report examines specific development scenarios in various communities throughout Clinton County in order to gain insight into the factors underlying the current market gap. Five properties were identified and matched with distinct build-out scenarios. Estimated costs were developed for each concept, and pro formas were generated using the Camoin Associates' Financial Feasibility Model. These pro formas incorporate market conditions (lending rates, cap rates, operating expenses, taxes) to derive potential income streams, operational expenses, financing costs, and more. The model calculates estimated annual revenues, expenses, net operating income (NOI), return on investment (ROI), and, where projects are financially unfeasible, the necessary "gap funding" that would be required to make a given project attractive to a developer.

This report analyzes the financial prospects of several new rental property developments and, in one scenario, the challenges of developing for-sale single-family homes that are affordable to middle-income households in a rural setting.

Opportunity Sites Identified in Clinton County



SITE SELECTION

A preliminary inventory of 30+ properties in Clinton County, including vacant land and underutilized sites, was compiled using various data sources and expert interviews. The site selection process prioritized properties of at least 10 acres with existing utilities, highway access, and proximity to town centers.

Based on Stakeholder engagement and market analysis, including the housing demand assessment, the initial list was narrowed down based on site characteristics, development possibilities, and potential challenges (infrastructure, zoning, etc.). This process then provided the criteria for identifying the five final Opportunity Sites.

DEVELOPMENT CONCEPTS

The buildout concepts to accompany each of the identified properties are designed to exhibit a range of possible development scenarios. They include apartments available at both market rental rates and units with rates that are reasonable for middle-income households, townhouses designed to accommodate moderate-income seniors, and single-family homes priced within reach of first-time buyers. These concepts were then matched to each site based on size, scale, potential infrastructure, and other local considerations. <u>Please note that these concepts are intended to be illustrative and do not represent actual development proposals.</u>

The buildout concepts for each site are:

1. **Wood Cliff Drive site in the Town of Plattsburgh — Seventy-eight market-rate apartments** with 1-, 2- and 3-bedroom units from 700sf to 1,300sf.
2. **Miromar site in Champlain — One hundred and twenty apartments priced as a mix of market-rate and attainable units**. These include 1-, 2-, and 3-bedroom units ranging from 700sf to 1,300sf.
3. **Bear Swamp Road in Peru — Thirty-six two-story, 3-bedroom townhouses** available at market rates.
4. **Banker Road site in the Town of Plattsburgh — Thirty moderately sized, two-bedroom single-story townhouses** dedicated to serving seniors in need of attainable housing.
5. **Nashville Road in Saranac** — moderate scale **subdivision with "starter homes"** intended to be affordable to households with earnings equal to 120% of the Area Median Income (AMI). The rural setting requires the inclusion of a waste-water treatment system with cost estimates inclusive of site preparation and roadway paving.

FINANCIAL AND DEVELOPMENT INPUTS

A range of financial metrics feed into the Camoin Associates' Financial Feasibility Model. These include prevailing interest rates, capitalization rates, loan-to-value constraints, and others. Also required are estimated construction costs per square foot (cpsf) and rental rates reflecting local Clinton County markets. These and other measures were derived from a variety of data sources with the intention of making these financial pro forma estimates as accurate as possible.

The five concepts include potential sales or rental pricing for each concept which are based on prevailing financial market conditions. These include lending rates, capitalization rates, anticipated operating expenses, and property tax rates. With these measures, financial pro forma for each of the four rental concepts have been constructed, calculating the potential return on investment and needed "gap funding". The home-purchase scenario starts with an estimate of the highest price a moderate-income household might afford for a new home purchase. It then determines the type of units and scale of development required to provide homes at this level of affordability.

FINANCIAL FEASIBILITY OF FOUR RENTAL SCENARIOS

A review of the pro formas created around the four rental concepts under consideration clearly illustrates the fundamental financial limitations faced by communities and developers wishing to build new housing. In each of these scenarios, construction costs reflect the most economical quality while rental rates are set to realistic levels, consistent with higher-end units currently available (for market rate) or otherwise proscribed by HUD guidelines for affordable housing.

Takeaway #1: In each case, the estimated market value of the completed properties fell well shy of the total development cost. A multifamily rental property produces a revenue stream based on occupancy and the rental rates paid by tenants. After factoring in operating expenses and taxes, the net income from the project feeds into a standardized financial calculation yielding an estimated Full Market Value (FMV), i.e., what the property would be worth if put up for sale. In all four scenarios, the estimated FMV for each project does not, in financial terms, justify spending the money required to develop the projects.

Takeaway #2: A for-profit developer would require a project not to just break even (FMV equal to total development cost) but would also need the prospects of reasonable profitability to motivate investing their own assets into the development — 15% in the following analysis. Comparing the FMV of a project to the cost of construction plus an additional profit margin provides an estimate of the project's overall shortfall in valuation needed to progress. This can be interpreted as the amount of "Gap Funding" that would need to be interjected to make the project financially viable.

In the four rental property buildout scenarios, the amount of Gap Funding needed to justify each project ranges from $1.9M for a 36-unit market-rate townhouse development to $13.5M to support the development of a 120-unit mixed attainable/market-rate apartment.

Development and Financial Summary - Four Rental Scenarios in Clinton County

	Wood Cliff Drive Site - Town of Plattsburgh	Miromar Site in Champlain	Bear Swamp Road Site in Peru	Banker Road Site - Town of Plattsburgh
Development Type	Apartments	Apartments	Townhouses	Townhouses
Units	78	120	36	30
Rental Pricing	Market Rate	Mixed Market/ Attainable	Market Rate	Senior/ Attainable
Average Rent	$1,653	$1,372	$2,400	$1,120
Bedrooms	1-, 2-, and 3-Bedroom	1-, 2-, and 3-Bedroom	3-Bedroom	2-Bedroom
Size(s)	700 sf to 1,300 sf	700 sf to 1,300 sf	1,200 sf	1,000 sf
Value of County Incentives	$1,139,700	$1,973,100	$431,100	$364,400
Total Development Cost*	$15,930,000	$24,320,000	$6,810,000	$4,930,000
Fair Market Value	$9,600,000	$14,460,000	$5,960,000	$2,960,000
Return on Investment	-39.7%	-40.5%	-12.6%	-40.1%
Needed Gap Funding	**$8,720,000**	**$13,500,000**	**$1,880,000**	**$2,720,000**

***Note:** Total Development Cost *after* accounting for IDA tax exemptions

Source: Camoin Associates

Takeaway #3: These financial measures illustrate the overwhelming need for funding beyond developer equity and conventional mortgage lending in the development of new residential space throughout Clinton County. The most prominent of these might be found in the federal Low Income Housing Tax Credit (LIHTC) program. Other grant funding could also play a role in allowing for additional multifamily development along with potential incentives and savings provided by the county or municipalities. This might include allowing for more flexible zoning, reducing regulatory barriers, offering additional tax abatements and impact fee waivers, providing publicly held lands for development, and other measures.

Takeaway #4: Notably, the current and planned tax exemption policies available from the Clinton County IDA play a significant role in moving the considered development scenarios toward financial feasibility. Implementing the sales tax exemption and mortgage recording tax exemption reduced development costs by around 6% for each of the multifamily scenarios. Meanwhile, the anticipated property tax exemptions significantly improve cash flow for these projects, boosting the expected market valuation, increasing the amount financed by lending, and reducing the needed gap funding.

ATTAINABLE SINGLE-FAMILY HOUSING

Quite different from a review of the financial challenges facing multifamily developments, the fifth buildout scenario explores the conditions needed to provide the opportunity for a moderate-income household to purchase a new home within a development.

Workforce housing refers to units available to households making up to 120% of the Area Median Income (AMI as defined by HUD). In addition, affordability requires that the cost of housing account for only 30% of these household's total income. For a family of four in Clinton County, that equates to housing costs of no more than $2,800 per month. After factoring in the cost of utilities, insurance, and taxes, this would leave $1,560 per month to be applied to a mortgage payment. Based on current interest rates and following a 10% downpayment, this monthly payment would qualify a family to purchase a home priced at $270,200.

Maximum Affordable Home Owner Payments and Purchase

	Monthly	Annual	Share
Annual Income (120% of AMI)	$ 9,350	$ 112,200	
Payments			
Mortgage Payment	$ 1,561	$ 18,731	55.6%
Property Taxes	$ 541	$ 6,495	19.3%
Homeowner's Insurance	$ 113	$ 1,351	4.0%
Private Mortgage Insurance (PMI)	$ 101	$ 1,216	3.6%
Utility Costs	$ 489	$ 5,868	17.4%
Total Payments	**$ 2,805**	**$ 33,660**	**100.0%**
Maximum Affordable Home Price		**$270,200**	

Source: HUD, RealtyRates.com, Move.org, Clinton County, Camoin Associates

The challenges in developing a single-family detached home to be sold at this modest amount are significant though possibly not insurmountable. Land costs, site work, home building, overhead, and financing all add up quickly. What's more, being a rural site, a sizeable wastewater treatment system would also be required, as would a roadway to allow access to the new homes.

Though the units include desirable features such as two stories and three bedrooms, the final cost of building was minimized by specifying modest-sized homes developed with the most economical quality of construction. This kept the cost of each unit under $180,000. Allowing for site clearing and 100' of roadway footage, the standard cost increases to roughly $193,000 for each unit and this does not change regardless of the number of units constructed.

Two significant costs of this scenario decline quickly when considered on a per-unit basis, however. The cost of the Saranac parcel identified is set at $349,000. As the number of units on this site increases, this purchase price can be shared among a greater number of households, bringing down that expense considerably as larger developments are considered.

Another shared expense with sharply declining marginal costs is the required wastewater treatment system. Building out a system that would accommodate just four homes would cost more than $64,000 for each unit. While the cost of these systems steadily rises to accommodate a larger number of units, the average cost per unit drops precipitously. A system designed to service 40 units, for example, would cost an average of just $8,000 per unit.

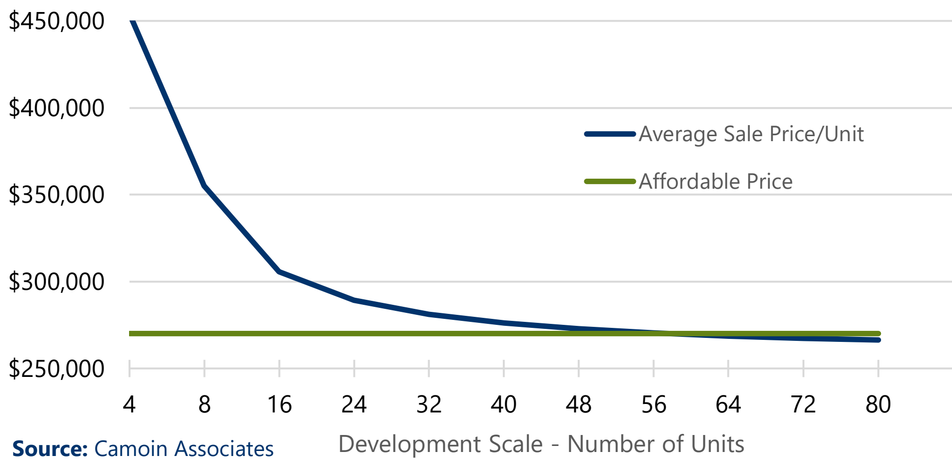
Total Development Costs - Saranac Single-Family Subdivision

Units	Total Bldg and Roadway Costs	Total Wastewater System Cost	Total Land & Site Work	Overhead & Financing	Total Development Costs	Average Cost/Unit
4	$756,500	$257,800	$364,000	$437,960	$1,816,260	$454,100
8	$1,513,000	$264,500	$379,000	$685,310	$2,841,810	$355,200
16	$3,026,000	$278,100	$409,000	$1,179,940	$4,893,040	$305,800
24	$4,539,000	$291,700	$439,000	$1,674,560	$6,944,260	$289,300
32	$6,052,000	$305,400	$469,000	$2,169,310	$8,995,710	$281,100
40	$7,565,000	$319,000	$499,000	$2,663,940	$11,046,940	$276,200
48	$9,078,000	$332,600	$529,000	$3,158,570	$13,098,170	$272,900
56	$10,591,000	$346,200	$559,000	$3,653,190	$15,149,390	$270,500
64	$12,104,000	$359,800	$589,000	$4,147,920	$17,200,720	$268,800
72	$13,617,000	$373,500	$619,000	$4,642,570	$19,252,070	$267,400
80	$15,130,000	$387,100	$649,000	$5,137,190	$21,303,290	$266,300

Source: Camoin Associates

Combining building and land costs with the expense of a wastewater system and accounting for administrative costs, the total cost of the Saranac area concept can rise dramatically as scale increase - reaching over $21M for an 80-unit subdivision. The goal of creating a development whereby a moderate-income household could afford to purchase a modest single-family home, however, appears to be achieved in this scenario with the construction of a 56-unit project. At this scale, the estimated average selling cost per unit falls to just $270,500. This compares sufficiently close to the level of affordability estimated for a moderate-income household with a budget of $270,200 to suggest that, indeed, moderately priced single-family development could, under the right circumstances, be within reach of a community, given the willingness to allow for somewhat greater density than might generally be found in more rural settings.

Home Sale Price with Increasing Scale - Saranac Example



Source: Camoin Associates

Takeaway #5: The most significant element of this review, then, is that affordability is greatly enhanced as the scale of development grows. To the extent that communities wish to see home price growth slow and provide the opportunity for moderate-income households to purchase and own their own homes, allowing larger-scale subdivisions may play a vital role in achieving these ends.

In addition, other municipal initiatives can further enhance the likelihood of new single-family development such as providing for tax abatements and exemptions, investing in infrastructure, or allowing for fast-tracked permitting.

CONSIDERATIONS FOR ADVANCING HOUSING IN CLINTON COUNTY

Given the financial modeling and identified funding gaps, advancing housing development in Clinton County will require strategic collaboration and custom solutions that work for individual communities. To support these efforts, the IDA can move towards embracing the following actions:

1. **Collaborating with Employers** – Work with local employers to understand workforce housing needs and explore partnership opportunities to develop housing solutions that support employee retention and economic growth.

2. **Facilitating Public-Private Partnerships** – Encourage and support partnerships between public and private sector stakeholders to leverage creative financing mechanisms, such as tax incentives, grants, philanthropic support, and alternative funding sources, to address financial gaps in housing development.

3. **Support Statewide Housing Initiatives** – Actively participate in and promote state-led housing programs, such as the Pro-Housing Communities initiative, to maximize available resources and incentives for municipalities within Clinton County.

4. **Leverage County-Wide Development Programs** – Align housing efforts with existing or upcoming county initiatives, such as the brownfield redevelopment program, to access funding opportunities and streamline the development process.

5. **Reinforce the IDA's Role in Housing Advancement** – Whether with the sites studied in this report or others that emerge over time, the IDA can take a proactive role in housing development by continuing to extend tax exemptions to developers and also through potential policy advocacy, funding facilitation, and technical assistance.

SITE SELECTION PROCESS

A preliminary inventory of over 30 properties in Clinton County, encompassing vacant land, underutilized sites, and Adirondack Park land, was created. This inventory was compiled using various data sources, including publicly available records, geographic information systems (GIS) data, and insights gathered from interviews with local experts, real estate professionals, and community leaders.

The site selection process focused on identifying properties suitable for development. Key criteria for prioritization included:

- **Size:** Properties needed to be at least 10 acres to accommodate potential development projects
- **Utilities:** Existing utility infrastructure (water, sewer, electricity, gas, etc.) on or near the property was a crucial factor in minimizing development costs and timeframes
- **Accessibility:** Direct or convenient access to major highways and transportation routes was essential for efficient movement of goods and people
- **Proximity:** Sites located near existing town centers were preferred to leverage existing amenities, infrastructure, and community support

With these criteria in place, the initial list of properties was narrowed down using a two-pronged approach. Input was solicited from various stakeholders, including local government officials, community members, developers, and business leaders, to gather diverse perspectives on the suitability and potential of each site. This feedback helped identify potential challenges and opportunities associated with each property. A comprehensive market analysis, including a detailed housing demand assessment, was conducted to evaluate the feasibility and viability of different development scenarios in the county. This analysis considered factors such as current and projected population growth, housing needs, economic conditions, and market trends.

The initial list of properties was further refined based on the insights gained from stakeholder engagement and the market analysis. This final selection process considered:

- **Site Characteristics:** Topography, environmental factors, and other physical attributes of each site were evaluated to determine their suitability for development
- **Development Potential:** The potential for each site to accommodate various types of development (residential, commercial, industrial, etc.) was assessed, taking into account zoning regulations, land use plans, and market demand
- **Potential Challenges:** Potential challenges associated with each site, such as infrastructure limitations (e.g., inadequate road capacity, insufficient utility infrastructure), zoning restrictions, environmental concerns, or legal encumbrances, were carefully considered
- **Site Control: Ownership Considerations and Site Readiness:** The various ownership structures associated with the site, including a mix of public and private ownership and the implications of these ownership models for site readiness and development

Through this process, the initial inventory of properties was carefully narrowed down to the final five "Opportunity Sites," representing some of the more promising locations for development in Clinton County.

BUILDOUT CONCEPTS

Each of the five selected demonstration sites will be reviewed based on the financial feasibility of a particular buildout scenario. The types of possible development concepts include a wide range of specifications, including tenure (owner or renter), scale (number of units), density (units per acre), and pricing (market rate, workforce housing, or attainable housing).

An effort was made to outline various concepts representing a range of possible developments that could come to Clinton County over the coming several years. The housing needs assessment portion of this study identified several populations with more limited options for securing housing. This is reflected in the buildout concepts, which include elements of attainable rental housing, workforce rental housing, and attainable rental senior housing. The general need for additional housing, however, extends beyond those of more limited means, and market-rate units also feature prominently in the multiple concepts. One concept specifically presents a structure designed to hold the pricing on single-family owner housing to relatively affordable levels.

DEVELOPMENT CONCEPTS

Market Rate Multifamily Rental Housing

- Three three-story buildings with 26 rental units each — 78 units in total
- Includes 18 one-bedroom units, 40 two-bedroom units, and 20 three-bedroom units
- Units sized from 700 to 1,300 sf
- Includes 1.5 parking spaces per unit
- Pricing calls for market-rate rental rates
- Development located along or near existing municipal water and sewer line

Mixed Attainable/Market Rate Multifamily Rental Housing

- Four three-story buildings with 30 rental units each — 120 units in total
- Includes 30 one-bedroom units, 60 two-bedroom units, and 30 three-bedroom units
- Units sized from 700 to 1,300 sf
- Includes 1.5 parking spaces per unit
- Half of all units with market-rate rentals. The balance includes rates that are affordable to households making 60% of the Plattsburg AMI
- Development located along or near existing municipal water and sewer line

Market Rate Rental Townhouses

- Six rows of 6 units measuring 1,200 sf — 36 units in total
- Includes three-bedroom units.
- Includes 1.5 parking spaces per unit
- Rental rates to be affordable to households making 60% of the Plattsburg AMI
- Development located along or near existing municipal water and sewer line

Attainable Senior Independent Living Rental Townhouses

- Five sets of 6 connected single-story units measuring 1,000 sf — 30 units in total
- Includes 30 two-bedroom units
- Includes 1.5 parking spaces per unit
- Rental rates to be affordable to households making 60% of the Plattsburg AMI
- Development located along or near existing municipal water and sewer line

Rural Market Rate Single-Family Detached Housing

- Forty-eight two-story single-family detached units at 1,400 sf — 48 units in total
- Each unit includes three bedrooms
- Includes 100’ of private roadway per unit
- Configured to hold purchase prices to relatively affordable levels
- Development includes wastewater treatment system

ASSIGNMENT OF CONCEPTS TO OPPORTUNITY SITES

The five identified opportunity sites identified above provide differing features in terms of parcel size and access to roadways and public utilities. This makes some of these sites most suitable for different buildout concepts. Based on these considerations, the buildout scenarios are combined as seen below.

Financial Feasibility - Opportunity Sites and Corresponding Buildout

Opportunity Site	Buildout Concept
Wood Cliff Drive - Town of Plattsburgh	Market-Rate Multifamily Rental Housing
Miromar Site - Champlain	Mixed Affordable & Market Rate Multifamily Rental Housing
Bear Swamp Road Site - Peru	Market Rate Rental Townhouses
Banker Road Site - Plattsburgh	Affordable Senior Independent Living Rental Townhouses
Nashville Road - Saranac	Rural Market-Rate Single-Family Detached Housing

FINANCIAL FEASIBILITY ANALYSIS

DEVELOPMENT COSTS AND FINANCIAL METRICS

The five opportunity sites under consideration each present a unique set of elements to be reviewed with respect to possible development scenarios. Beyond the price of the parcels, the availability of power, water, and access to municipal sewers greatly influence the cost of development.

Similarly, the elements making up the development cost of each concept can differ significantly. Specifically, cost per square foot (cpsf) differs widely among multifamily, townhouse, and single-family detached housing. Additional costs then arise from possible site work or the inclusion of parking spaces or private roadways.

Cash flow will also vary between market-rate and attainable rental units, but other financial metrics will greatly influence a project's financial feasibility. These include interest rates, operating expenses, and property tax rates, to name a few. Each of these many elements must be determined prior to creating each property’s pro forma to determine financial feasibility and those items.

Project Costs

For the Clinton County analysis, construction costs for the apartments, single-family homes, and parking are derived from the 2025 edition of the Square Foot Costs with RSMeans Data report, published by Gordian. For the types of projects germane to this study, these costs range from $132/sf for an economical 1,600 single-family home up to $219/sf for a 25,000 sf multifamily development. Also provided by RSMeans is the cost of parking, which is included in the various multifamily estimates, as well as the cost of road construction.

Construction Costs for Clinton County

Multifamily Cost per Square Foot - Area in Square Feet				
	25,000	29,000	32,000	36,000
One to three stories - Brick over Steel.	$219	$214	$213	$211
Single-Family Cost per Square Foot - Area in Square Feet				
	1,000	**1,200**	**1,400**	**1,600**
Single Story Economical Quality	$160	$149	$139	$132
Single Story Average Quality	$185	$171	$160	$153
Multi-Story Economical Quality	$174	$158	$150	$144
Multi-Story Average Quality	$195	$177	$168	$162
Parking - Cost per Space				
4" Paving over 6" Gravel				$1,866
Roadways - Cost per Linear Foot				
4" Paving over 6" Gravel - 28' Width				$207

Source: RSMeans - 1Q2025

Further, for those sites that lack access to public sewer, the capacity for an onsite wastewater treatment system is based on 110 gallons/bedroom/day as directed by the Sanitary Code of the Clinton County Health Department (2024) and prescribed by the New York State Wastewater Treatment Standards (Appendix 75-A). Based on the specific buildout specifications, the calculated daily flow for the entire development is entered into the budget calculator provided by Earthtek.com.

Note that the development cost figures presented in this analysis are estimates and provide general spending values for each site and concept combination. Actual development costs will require more detailed work as provided by architectural and engineering firms.

Rental Rates

Rental revenues accruing to the different concepts are modeled off of the mix of unit size (one-, two-, or three-bedroom) and pricing regime (market rate and attainable). Market-based figures are driven by observed rental rates found currently within Clinton County while attainable rates are derived based on calculations prescribed by HUD.

Market-Based Rental Rates

Market-based rental rates are derived by multiplying unit area (sf) times a measure of rental rate per sf. Apartments.com provides measures of rental rates per square foot, publishing market area averages along with figures for individual properties. Based on these individual properties, a range can be found, bracketing the high and low bounds of this cost measure.

Pricing per square foot in the county is reported as averaging from $1.63/sf for one-bedroom units to $1.05/sf for three-bedroom units, however, the range of values for particular properties varies widely. Note that the Apartments.com data reflects values for the entire market including many much older rental units. With that consideration, the figures used in modeling rental revenues of newly built units outlined in the several building concepts ought to register well above those average levels. It is also the case that the highest cost per square foot measures were seen to be for lake-side units which are likely more luxurious than those under consideration in this analysis.

The values used in estimating market-based rental rates for this study generally fall in the range between the market average and the maximum observed values. One-bedroom rentals are assigned a rate of $1.90/sf with two-bedroom units garnering $1.65/sf and three-bedroom units accruing $1.50/sf.

Market Rental Rates - Cost Per Square Foot

	One Bedroom	Two Bedroom	Three Bedroom
Apartments.com - Rent/SF			
Min	$0.83	$0.83	$1.00
Max	$1.93	$2.25	$1.42
Average	$1.63	$1.19	$1.05
Housing Study Assumptions			
Rental Rate/SF	**$1.90**	**$1.65**	**$1.50**

Source: Apartments.com, Camoin Associates

Attainable Rental Rates

Apartment and townhouse rental rates under each scenario are determined by the specific concept. For attainable housing, rental rates are tied to the Area Median Income (AMI), a figure published by HUD annually. The attainable rental rate then varies, depending on the number of people in the household. For example, the 2024 AMI applicable to Clinton County ranges from $65,400 for a single-person household up to $123,400 for an eight-person household.

Households eligible for residency in limited-income housing will meet specific income requirements. For those renting a unit designated as attainable housing, the maximum income is 60% of the AMI (e.g., $56,100 for a family of four). Rental rates are then set to 30% of a household’s income (e.g., $1,400 for four-person households seeking attainable housing).

Adjusted Household Income Limits by Persons per Household- 2024

Household Size	Income at 60% of AMI	Affordable Monthly Rent
1 Person	$39,240	$980
2 Person	$44,880	$1,120
3 Person	$50,460	$1,260
4 Person	$56,100	$1,400
5 Person	$60,540	$1,510
6 Person	$65,040	$1,630
7 Person	$69,540	$1,740
8 Person	$74,040	$1,850

Source: HUD, Camoin Associates

When modeling rental revenues for attainable housing developments, households of differing sizes need to be allocated to the available rental units. For this study, the assumption is that half of all one-bedroom units are single-person occupancy, with the balance being two-person households. This implies an average rental rate for one-bedroom units of $1,050 for attainable housing—the midpoint between one- and two-person households.

Similarly, the average household size in two-bedroom units is assumed to be 2.5 people, with three-bedroom units averaging 3.5 residents. These measures then yield attainable rental rates of $1,190 and $1,330 for two- and three-bedroom units.

Modeled Affordable Rental Rates by Size of Unit

	One-Bedroom	Two-Bedroom	Three-Bedroom
Average Household Size	1.5	2.5	3.5
Affordable Monthly Rent	$1,050	$1,190	$1,330

Source: Camoin Associates

Project Financing Parameters

RealtyRates.com, a real estate financial market data source, provided several measures used to determine the financial feasibility of the envisioned developments. The data used in this analysis is based on values reported as of the 4th Quarter of 2024.

Financial Metrics - 4Q2024

	Apartments
Lending Rate	6.65%
Debt Coverage Ratio	1.43
L/V Ratio	73%
Cap Rate	7.91%

Source: RealtyRates.com/CoStar

Financial Metrics

- Interest Rates reflect rates paid on commercial real estate
- Debt Service Coverage Ratio (DSCR) measures a borrower's ability to repay a loan. Lenders will require Net Operating Income (NOI) to exceed the monthly loan payments by a certain minimal percentage. A project with NOI measuring 50% greater than the monthly loan payment rates a DSCR value of 1.5
- The Loan to Value measure indicates the amount that a lender is willing to loan to a developer. A maximum LTV of 70% means that the investors must provide 30% equity on a project before acquiring the balance of needed funding
- The Cap Rate or Capitalization Rate is an assessment of a property's yield over one year. Based on the property's income stream, this figure is used to estimate the full market value of a development once completed. This value is sourced from CoStar

Occupancy

Rental properties are leased and occupied by paying tenants. As tenants turn over, properties may periodically be vacant. In addition, tenants may, at times, miss their monthly payments. To account for occasional vacancies and periodic non-payment (Credit Loss), estimated gross revenues include a 5% reduction below total potential revenue levels.

Operating Expenses

Operating expenses for multifamily developments are derived from CoStar data for the region. These include the summed costs of property insurance, utilities, repairs and maintenance, janitorial, management fees, employee compensation, marketing, professional fees, administrative costs, and other expenses. Over the past five-year timeframe, annual costs have averaged $5,900 per residential unit ($492 monthly). This compares to rental rates of $15,556 annually ($1,296 per month) yielding an **Operating Expense Rate (excluding taxes) of 37.9%**.

Regional Five-Year Average Operating Expenses and Rental Rates

	Apartments
Operating Expenses	$5,900
Rental Revenues	$15,556
OpEx Pct of Revenue	**37.9%**

Source: CoStar

Mill Rates and Tax Exemptions

As published by the Clinton County Real Property Office, property tax mill rates vary widely and include differing elements among the many communities within the county. For more detail, see:

https://www.clintoncountyny.gov/realproperty/tax-information

Camoin Associates worked with municipal assessors' offices and tax departments to determine the correct rates to be applied at each site. These figures appear in the financial feasibility analysis for each site and concept combination.

A new program by the Clinton County IDA offers varying degrees of tax exemptions for new residential developments, based on the type and income of residents anticipated for the new projects. These benefits diminish over time, but for the purposes of this analysis, the tax burdens factored into the financial assessments are discounted by the average level of exemption allowed over the first five years of eligibility.

Percent of Property Tax Exemption by Type of Development

	Affordable			
Tax Year	40% of Units Affordable	60% of Units Affordable	Market Rate	Senior Housing
1	100%	100%	75%	100%
2	90%	100%	50%	100%
3	80%	100%	25%	100%
4	70%	90%	0%	90%
5	60%	80%	0%	80%
6	50%	70%	0%	70%
7	40%	60%	0%	60%
8	30%	50%	0%	50%
9	20%	40%	0%	40%
10	10%	30%	0%	30%
11	0%	20%	0%	20%
12	0%	10%	0%	10%
13	0%	0%	0%	0%
Average over initial 5-Years	**80%**	**94%**	**30%**	**94%**

Note: 0% exemption implies payment of full taxes

Source: Clinton County IDA

In addition, the Clinton County IDA can grant exemptions for sales and mortgage recording taxes. Combined, these tax exemptions prove highly valuable to developers, making it much easier for a planned residential project to move forward.

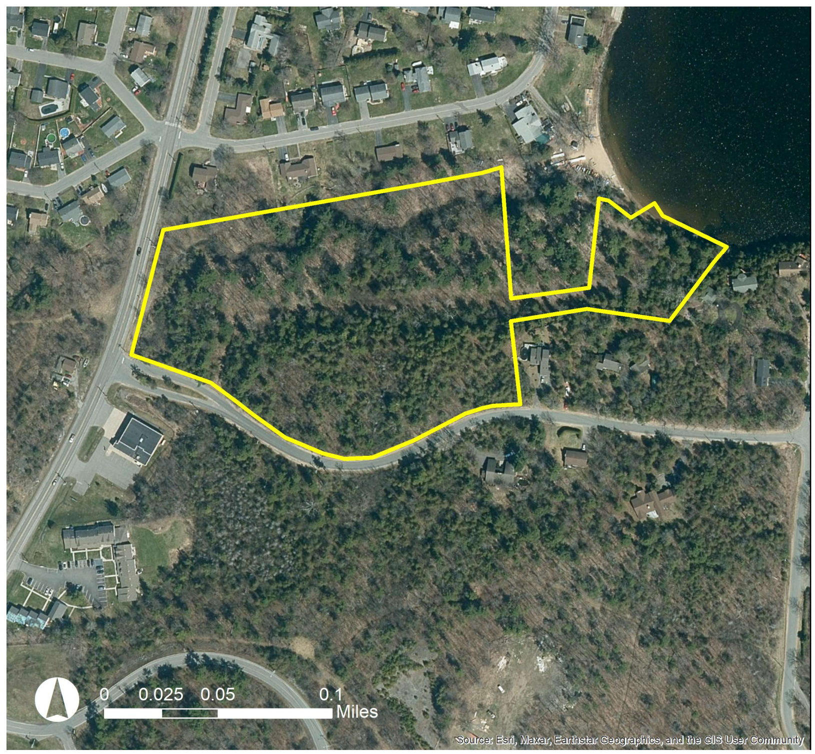
BUILDOUT SCENARIO 1

MARKET-RATE MULTIFAMILY RENTAL HOUSING

Wood Cliff Drive Site in the Town of Plattsburgh

NOTE: Analysis and discussion only for illustrative purposes. The following analysis is an effort to illustrate the financial opportunities and limitations for multifamily housing in Clinton County. It does not imply any plans or intentions on the part of the property owner or any developer to construct any specific residential space at the specified location.

This property includes the ten-acre parcel located north of the Clinton County Community College, across Wood Cliff Drive. It also includes frontage along Route 9 and Lake Champlain. The development concept for this site calls for the construction of three three-story buildings with 26 market-rate units each. This would provide a total of 78 new rental units sized from 700 sf to 1,300 sf. These would include 18 one-bedroom units, 40 two-bedroom units, and 20 three-bedroom rental apartments. The developments would total 78,600 square feet (sf) of new residential space. The development would also include 1.5 parking spaces per unit (117 in total). It would make use of municipal water and sewer lines located alongside or near the property.



Wood Cliff Drive Site in Plattsburgh - Concept Assumptions

	One-Bedroom	Two-Bedroom	Three-Bedroom	Total/ Average
Number of Units	18	40	20	**78**
Area per Unit	700	1,000	1,300	**1,008**
Total Gross Area	12,600	40,000	26,000	**78,600**

Total Project Cost — Wood Cliff Drive Site

The project envisions 78 units with a total built area of 78,600 sf. RSMeans data shows the cost of construction for this type of development in Clinton County as $211/sf, giving the structures a total construction cost of nearly $16.6M.

In addition, the project includes 1.5 parking spaces per unit for a total of 117 spaces. At $1,866/space (RSMeans), the full cost of the parking area totals $218,000. As the site is owned by the county, the cost of acquiring the property is assumed in this analysis to be $0.

Additional fees include the IDA application fee and payment of the mortgage recording tax. However, the inclusion of sales and mortgage recording tax exemptions provided by the IDA (see below) results in significant cost reductions, totaling well over $1M.

In sum, the Total Development Cost (TDC) for this configuration comes to $15.7M and this is the amount used to populate the Camoin Associates' Financial Feasibility Model.

Wood Cliff Drive Site in Plattsburgh - Development Costs

	Units	Area	Cost	Total Cost
Apartment Units	78	78,600 sf	$211/sf	$16,584,600
Parking Spaces	117		$1,866/space	$218,322
Site Acquisition		10 acres	$0/acre	$0
Additional Fees				$197,600
Less Sales Tax and Mortgage Recording Tax Exemptions				$1,073,900
Total Development Costs				**$15,926,622**

Source: RSMeans, Camoin Associates

Rental Rates — Wood Cliff Drive Site

This scenario envisions 100% of the units being dedicated to market-rate rental pricing. As presented above, unit pricing will range from $1,330 per month for a one-bedroom apartment, up to $1,950 per month for a three-bedroom unit. Based on the number of one-, two-, and three-bedroom units, the effective average monthly rental rate amongst all 78 units is $1,653.

At 100% occupancy, this property would then provide total gross revenues of $128,900 per month. Shared over the total rentable area, the ***annual*** **rental rate is then $20.72/sf**. This is the figure used to populate the Camoin Associates' Financial Feasibility Model.

Wood Cliff Drive Site in Plattsburgh - Rental Rates

	One-Bedroom	Two-Bedroom	Three-Bedroom	Total/ Average
Number of Units	18	40	20	**78**
Area per Unit	700	1,000	1,300	**1,008**
Market-Rate Rent/Month	$1,330	$1,650	$1,950	**$1,653**
Total Revenue/Month	$23,940	$66,000	$39,000	**$128,940**
Rental Rate/SF*/Yr	$24.00	$20.84	$18.95	**$20.72**

***Note:** Rentable area reduced by 5% to account for common space

Clinton County IDA Tax Exemptions

The IDA has the ability to waive certain expenses seen by developers including the exemption of sales taxes, property taxes, and mortgage recording taxes. For the Wood Cliff Drive scenario, the sales tax exemption savings would be close to over $1M, while waiving the fee for mortgage recording would provide a one-time benefit worth $70,000.

In addition, the new property tax exemption provided for in the anticipated update to the county's Uniform Tax Exemption Policy (UTEP), will allow for a reduction in annual property taxes averaging $66,000 each year over the initial five years of operation. This raises the property's cash flow and market valuation considerably. In turn, a higher valuation permits a reduction in the amount of gap funding required, thanks to a larger portion of project financing coming from borrowing.

Value of Clinton County IDA Tax Exemptions

Sales Tax	$1,003,800
Property Tax*	$65,800
Mortgage Recording	$70,100
Total Benefits	**$1,139,700**

***Note:** Recurring

Consolidated Financial Feasibility Assumptions — Wood Cliff Drive Site

The values discussed above are used as assumptions to populate the financial feasibility model. This includes square footage, construction CPSF, revenue assumptions, tax rates, and the operating expense percentage. Financing assumptions include a 20% equity contribution that a lender would require to fund the construction, equal to $3.2M.

Note that the tax rate for a residential development in this location would typically measure $22.85 per $1,000 of appraised value (2.29%). However, the Clinton County IDA is poised to provide a tax exemption for new multifamily housing, which, over the first five years of occupancy, would reduce the tax liability by 30%. With the help of this program, the *effective* property tax rate is then 1.60%.

Other financing elements are as seen above. Note that, based on the estimated income stream from the envisioned buildout scenario with conventional lending criteria, this project would qualify for a loan totaling only $7.0M. That level of debt, along with the prevailing interest rate, would then require annual debt servicing of $540,000.

Assumptions: Wood Cliff Drive Site - Town of Plattsburgh

Project Information		
Use Type 1:	**Apartments**	
Building SF 1:	**78,600**	*Camoin*
Use Type 2:	**Parking**	
Spaces/Unit 2:	**1.5**	*Camoin*
Common Space Allowance	**5.0%**	*Camoin*
Total Rentable Square Feet	**74,670**	*Calculation*
Development Cost per SF:	**$211**	*RSM*
Parking Cost per Space:	**$1,866**	*RSM*
Acquisition Cost	**$0**	*List Price*
Additional Fees	**$197,600**	*Camoin*
Less Tax Exemptions	**-$1,073,900**	*Calculation*
Total Development Cost	**$15,926,622**	*Calculation*

Revenue and Performance		
Rate (per SF/Year) Gross		
Apartments	**$20.72**	*HUD/Camoin*
Vacancy and Credit Loss	**5.0%**	*Camoin*

Annual Expenses		
Property Tax Rate	**2.2852%**	*2025 Actual*
Property Tax Exemption	**30.0%**	*Clinton Cnty*
OpEx (Excl Prop Tax)	**37.9%**	*CoStar*

Financing		
Equity Contribution (%)	**20%**	*Realty Rates*
Equity Contribution ($)	**$3,185,324**	*Camoin*
Max Loan to Value	**73%**	*Realty Rates*
Loan Amount	**$7,006,249**	*Calculation*
Loan Interest Rate	**6.65%**	*Realty Rates*
Loan Term (Years)	**30**	*Realty Rates*
Annual Debt Service	**$539,732**	*Calculation*
Capitalization Rate	**7.91%**	*CoStar*
Required DSCR	**1.43**	*Realty Rates*

Financial Feasibility Assessment — Wood Cliff Drive Site

Pro forma results show potential annual revenues generated by the overall Wood Cliff Drive development as $1.55M. Assuming an average 5% vacancy rate and accounting for credit loss, **Effective Gross Income comes to $1.47M.**

Property taxes and operating expenses are estimated to total $703,000, leaving **Net Operating Income for the entire development of $760,000**. Based on prevailing capitalization rates and this level of NOI, the included properties would then justify a **Fair Market Value (FMV) of $9.6M.**

This level of FMV falls $6.3M short of the Total Development Cost. This discrepancy is defined as the Appraisal Gap and taken as a percentage, this shortfall yields a ***negative*** **Return On Investment (ROI) of -39.7%.**

Ideally, a developer would like to see ROI measuring +15% or more. With this level of FMV, a positive 15% ROI would require a financial investment on the part of the builder significantly below the original TDC of $15.9M. In the case of the Wood Cliff Drive project, the development would only reach this goal if it received **Gap Funding of $8.7M** to overcome the estimated shortfall.

Feasibility Assessment: Wood Cliff Drive Site - Town of Plattsburgh

Pro-Forma (first stabilized year)	
Revenue	
Gross Potential Income	$1,547,280
Vacancy and Credit Loss	($77,364)
Effective Gross Income	**$1,469,916**
Expenses	
Real Estate Taxes	($153,524)
Other Operating Expenses	($557,534)
Total Expenses	**($711,058)**
A. Net Operating Income (NOI)	**$758,858**
Debt Service Payment	($539,732)
B. Annual Cash Flow After Financing (CFAF)	**$219,126**
Fair Market Value When Complete	$9,597,602
Total Construction Cost	$15,926,622
C. Appraisal Gap	**$ (6,329,020)**

Bank Financing Feasibility	
Debt Service Coverage Ratio (DSCR)	1.41
DSCR Minimum Threshold	1.43
Is Project Able to be Financed?	**No**

Developer Return on Investment (ROI) Analysis	
Annual ROI	
Equity Investment	$3,185,324
Annual Cash Flow After Financing	$219,126
D. (Annual) Equity Dividend Rate	**7%**
Return on Investment	
Yield on Cost (Going-in Cap Rate)	4.8%
Going-out Cap Rate	7.9%
F. Development Spread	**-3.1%**
Fair Market Value When Complete	$9,597,602
Total Construction Cost	$15,926,622
E. Return on Investment (Margin on Cost)	**-39.7%**

Feasibility Assessment	
Margin on Cost Threshold	15.0%
Is Project a Viable Private Investment?	**No**
G. Gap Funding- Surplus or (Shortfall)	**($8,718,014)**

Due to the relatively modest anticipated income stream and FMV when completed, along with the prevailing Loan-to-Value, a bank or other creditor would typically provide just $7.0M of financing for the Wood Cliff Drive project. At currently prevailing interest rates, this would require debt service payments of $540,000 annually.

The model provides a measure of the Debt Service Coverage Ratio (DSCR). This ratio of Net Operating Income (NOI) to debt service payments measures a developer's ability to meet current debt obligations based on available cash flow. Based on figures provided by RealtyRates.com, lenders currently require a DSCR measure on the order of 1.43 for this type of residential development, as this provides confidence that the borrower's income after expenses will more than exceed the amount needed to make loan payments.

For the full Wood Cliff Drive site build-out scenario, the DSCR registers 1.41, slightly below the threshold level and illustrating that, were gap funding to become available, this development concept would not be quite capable of financing the amount of outstanding debt, and additional cost savings or stronger revenues would be required to move forward.

Note that this challenge would be lessened significantly in a lower interest rate environment.

BUILDOUT SCENARIO 2

MIXED ATTAINABLE & MARKET RATE MULTIFAMILY RENTAL HOUSING

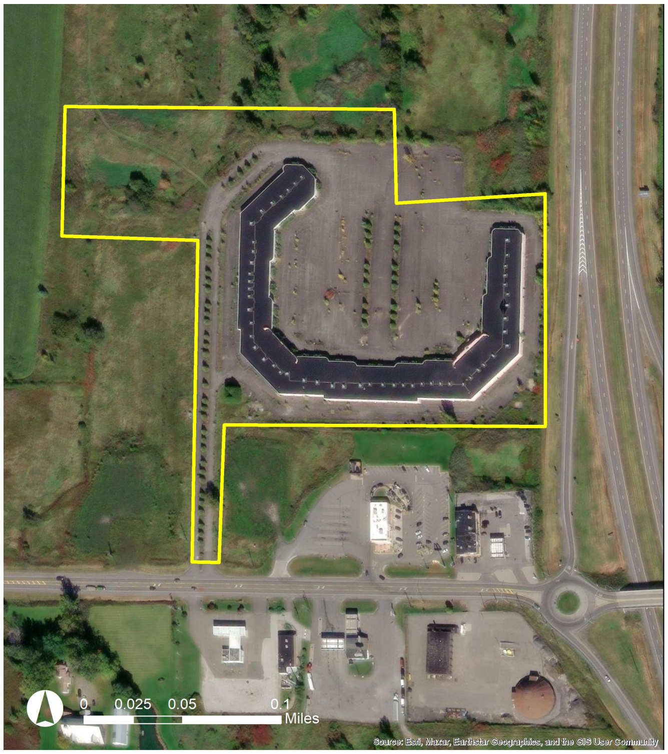
Miromar Mall Site in Champlain

NOTE: Analysis and discussion only for illustrative purposes. The following analysis is an effort to illustrate the financial opportunities and limitations for multifamily housing in Clinton County. It does not imply any plans or intentions on the part of the property owner or any developer to construct any specific residential space at the specified location.

Located just north of Route 11 along the western side of I-87, the former Miromar Mall site in Champlain includes the nineteen-acre parcel of the shopping center. The site also abuts additional properties that offer options for residential expansion in the future.

This development concept calls for the construction of four three-story buildings with 30 rental units each. This would provide a total of 120 new rental units sized from 700 sf to 1,300 sf. These would include 30 one-bedroom units, 60 two-bedroom units, and 30 three-bedroom rental apartments. Pricing would include a mix of both market-rate and attainable rental rates.

The development would create 120,000 square feet (sf) of new residential space. It would also include 1.5 parking spaces per unit (180 in total) and use municipal water and sewer lines already serving the property.



Miromar Site in Champlain - Concept Assumptions

	One-Bedroom	Two-Bedroom	Three-Bedroom	Total/ Average
Number of Units	30	60	30	**120**
Area per Unit	700	1,000	1,300	**1,000**
Total Gross Area	21,000	60,000	39,000	**120,000**

Total Project Cost — Miromar Site in Champlain

The project envisions 120 units with a total built area of 120,000 sf. RSMeans data shows the cost of construction for this type of development in Clinton County as $211/sf, giving the structures a total construction cost of $25.3M.

In addition, the project includes 1.5 parking spaces per unit or a total of 180 spaces. At $1,866/space (RSMeans), the full cost of the parking area totals $336,000. As the site is owned by the Town of Champlain, the cost of acquiring the property is assumed in this analysis to be $0.

Additional fees include the IDA application fee and payment of the mortgage recording tax. However, the inclusion of sales and mortgage recording tax exemptions provided by the IDA (see below) results in significant cost reductions, totaling well over $1.6M.

In sum, the Total Development Cost (TDC) for this configuration comes to $24.3M and this is the amount used to populate the Camoin Associates' Financial Feasibility Model.

Miromar Site in Champlain - Development Costs

	Units	Area	Cost	Total Cost
Apartment Units	120	120,000 sf	$211/sf	$25,320,000
Parking Spaces	180		$1,866/space	$335,880
Site Acquisition		19 acres	$0/acre	$0
Additional Fees				$299,500
Less Sales Tax and Mortgage Recording Tax Exemptions				$1,638,200
Total Development Costs				**$24,317,180**

Source: RSMeans, Camoin Associates

Rental Rates — Miromar Site in Champlain

This scenario envisions 60% of all units being dedicated to market-rate rental pricing with the balance available at attainable rates. As presented above, market-rate units would range from $1,330 per month for a one-bedroom apartment, up to $1,950 per month for a three-bedroom unit. For the attainable units, rates would range from $1,050 to $1,330. Based on the number of one-, two-, and three-bedroom units, combined with the two pricing regimes, the effective average monthly rental rate amongst all 120 units is $1,372.

At 100% occupancy, this property would then provide total gross revenues of $164,600 per month. Shared over the total rentable area, the ***annual*** **rental rate is then $17.33/sf**. This is the figure used to populate the Camoin Associates' Financial Feasibility Model.

Miromar Site in Champlain - Rental Rates

	One-Bedroom	Two-Bedroom	Three-Bedroom	Total/ Average
Affordable Units	18	36	18	
Market-Rate Units	12	24	12	**120**
Area per Unit	700	1,000	1,300	**1,000**
Affordable-Rate Rent/Month	$1,050	$1,190	$1,330	
Market-Rate Rent/Month	$1,330	$1,650	$1,950	**$1,372**
Total Revenue/Month	$34,860	$82,440	$47,340	**$164,640**
Rental Rate/SF*/Yr	$19.92	$16.49	$14.57	**$17.33**

***Note:** Rentable area reduced by 5% to account for common space

Clinton County IDA Tax Exemptions

The IDA has the ability to waive certain expenses seen by developers including the exemption of sales taxes, property taxes, and mortgage recording taxes. For the Miromar scenario, the sales tax exemption savings would be over $1.5M, while waiving the fee for mortgage recording would provide a one-time benefit worth nearly $100,000.

In addition, the new property tax exemption provided for in the anticipated update to the county's Uniform Tax Exemption Policy (UTEP), will allow for a reduction in annual property taxes averaging $355,000 each year over the initial five years of operation. This raises the property's cash flow and market valuation considerably. In turn, a higher valuation permits a reduction in the amount of gap funding required, thanks to a larger portion of project financing coming from borrowing.

Value of Clinton County IDA Tax Exemptions

Sales Tax	$1,532,600
Property Tax*	$334,900
Mortgage Recording	$105,600
Total Benefits	**$1,973,100**

***Note:** Recurring

Consolidated Financial Feasibility Assumptions — Miromar Site in Champlain

The values discussed above are used as assumptions to populate the financial feasibility model. This includes square footage, construction CPSF, revenue assumptions, and the operating expense percentage. Financing assumptions include a 20% equity contribution that a lender would require to fund the construction, equal to $4.8M.

Note that the tax rate for a residential development in this location would typically measure $24.64 per $1,000 of appraised value (2.46%). The development under consideration, however, reserves 60% of all units for attainable housing. However, the Clinton County IDA is poised to provide a tax exemption for affordable and attainable housing, which, over the first five years of occupancy, would reduce the tax liability by 94%. With the help of this program, the *effective* property tax rate is then 0.15%.

Other financing elements are as seen above. Note that, based on the estimated income stream from the envisioned buildout scenario with conventional lending criteria, this project would qualify for a loan totaling only $10.6M. That level of debt, along with the prevailing interest rate, would then require annual debt servicing of $813,000.

Assumptions: Miromar Site in Champlain

Project Information		
Use Type 1:	**Apartments**	
Building SF 1:	**120,000**	*Camoin*
Use Type 2:	**Parking**	
Spaces/Unit 2:	**1.5**	*Camoin*
Common Space Allowance	**5.0%**	*Camoin*
Total Rentable Square Feet	**114,000**	*Calculation*
Development Cost per SF:	**$211**	*RSM*
Parking Cost per Space:	**$1,866**	*RSM*
Acquisition Cost	**$0**	*List Price*
Additional Fees	**$299,500**	*Camoin*
Less Tax Exemptions	**-$1,638,200**	*Calculation*
Total Development Cost	**$24,317,180**	*Calculation*

Revenue and Performance		
Rate (per SF/Year) Gross		
Apartments	**$17.33**	*HUD/Camoin*
Vacancy and Credit Loss	**5.0%**	*Camoin*

Annual Expenses		
Property Tax Rate	**2.4635%**	*2025 Actual*
Property Tax Exemption	**94.0%**	*Clinton Cnty*
OpEx (Excl Prop Tax)	**37.9%**	*CoStar*

Financing		
Equity Contribution (%)	**20%**	*Realty Rates*
Equity Contribution ($)	**$4,863,436**	*Camoin*
Max Loan to Value	**73%**	*Realty Rates*
Loan Amount	**$10,558,578**	*Calculation*
Loan Interest Rate	**6.65%**	*Realty Rates*
Loan Term (Years)	**30**	*Realty Rates*
Annual Debt Service	**$813,388**	*Calculation*
Capitalization Rate	**7.91%**	*CoStar*
Required DSCR	**1.43**	*Realty Rates*

Financial Feasibility Assessment — Miromar Site in Champlain

Pro forma results show potential annual revenues generated by the overall Miromar Site development as $2.0M. Assuming an average 5% vacancy rate and accounting for credit loss, **Effective Gross Income comes to $1.9M.**

Property taxes and operating expenses are estimated to total $21,000, leaving **Net Operating Income for the entire development of $1.1M**. Based on prevailing capitalization rates and this level of NOI, the included properties would then justify a **Fair Market Value (FMV) of $14.4M.**

This level of FMV falls $9.9M short of the Total Development Cost. This discrepancy is defined as the Appraisal Gap and taken as a percentage, this shortfall yields a ***negative*** **Return On Investment (ROI) of -40.5%.**

Ideally, a developer would like to see ROI measuring +15% or more. With this level of FMV, a positive 15% ROI would require financial investment on the part of the builder significantly below the original TDC of $24.3M. In the case of the Miromar Site project, the development would only reach this goal if it received **Gap Funding of $13.5M** to overcome the estimated shortfall.

Feasibility Assessment: Miromar Site in Champlain

Pro-Forma (first stabilized year)	
Revenue	
Gross Potential Income	$1,975,680
Vacancy and Credit Loss	($98,784)
Effective Gross Income	**$1,876,896**
Expenses	
Real Estate Taxes	($21,379)
Other Operating Expenses	($711,900)
Total Expenses	**($733,279)**
A. Net Operating Income (NOI)	**$1,143,617**
Debt Service Payment	($813,388)
B. Annual Cash Flow After Financing (CFAF)	**$330,229**
Fair Market Value When Complete	$14,463,805
Total Construction Cost	$24,317,180
C. Appraisal Gap	**$ (9,853,375)**

Bank Financing Feasibility	
Debt Service Coverage Ratio (DSCR)	1.41
DSCR Minimum Threshold	1.43
Is Project Able to be Financed?	**No**

Developer Return on Investment (ROI) Analysis	
Annual ROI	
Equity Investment	$4,863,436
Annual Cash Flow After Financing	$330,229
D. (Annual) Equity Dividend Rate	**7%**
Return on Investment	
Yield on Cost (Going-in Cap Rate)	4.7%
Going-out Cap Rate	7.9%
F. Development Spread	**-3.2%**
Fair Market Value When Complete	$14,463,805
Total Construction Cost	$24,317,180
E. Return on Investment (Margin on Cost)	**-40.5%**

Feasibility Assessment	
Margin on Cost Threshold	15.0%
Is Project a Viable Private Investment?	**No**
G. Gap Funding- Surplus or (Shortfall)	**($13,500,952)**

Due to the relatively modest anticipated income stream and FMV when completed, along with the prevailing Loan-to-Value, a bank or other creditor would typically provide just $10.6M of financing for the Miromar Site project. At currently prevailing interest rates, this would require debt service payments of $813,000 annually.

The model provides a measure of the Debt Service Coverage Ratio (DSCR). This ratio of Net Operating Income (NOI) to debt service payments measures a developer's ability to meet current debt obligations based on available cash flow. Based on figures provided by RealtyRates.com, lenders currently require a DSCR measure on the order of 1.43 for this type of residential development as this provides confidence that the borrower's income after expenses will more than exceed the amount needed to make payments on a loan.

For the full Miromar Site build-out scenario, the DSCR registers 1.41, slightly below the threshold level and illustrating that, were gap funding to become available, this development concept would not be quite capable of financing the amount of outstanding debt, and additional cost savings or stronger revenues would be required to move forward.

Note that this challenge would be lessened significantly in a lower interest rate environment.

BUILDOUT SCENARIO 3

MARKET RATE RENTAL TOWNHOUSES

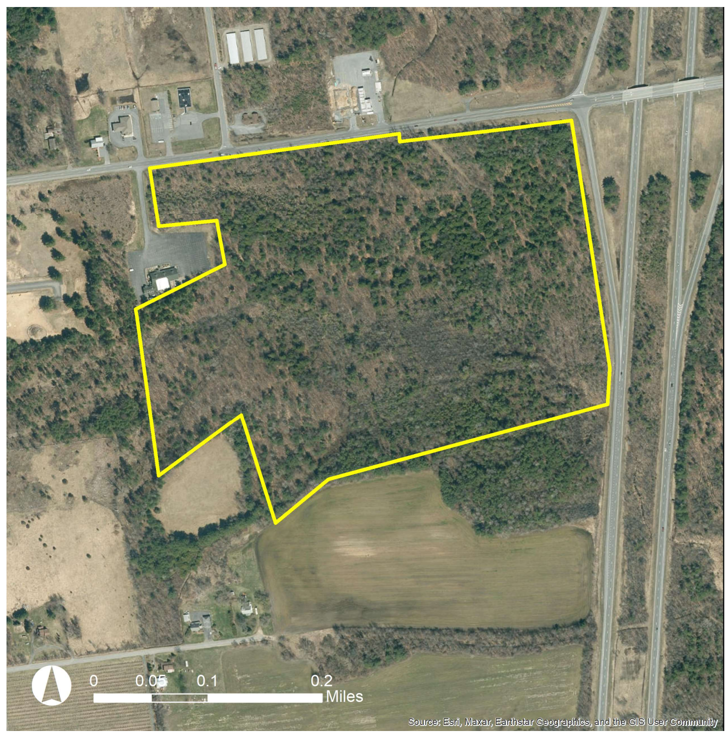
Bear Swamp Road Site in Peru

NOTE: Analysis and discussion only for illustrative purposes. The following analysis is an effort to illustrate the financial opportunities and limitations for housing development in Clinton County. It does not imply any plans or intentions on the part of the property owner or any developer to construct any specific residential units at the specified location.

The sixty-nine-acre parcel is located at the southwest corner of the intersection of I-87 and Bear Swamp Road. It includes access to municipal water and sewer systems.

This development concept calls for the construction of six sets of townhouses, each with six units for a total of 36 new attached single-family homes sized at 1,200 sf. All of these units would be two-story, three-bedroom homes, serving as rental units priced at market rates.

The development would total 43,200 square feet (sf) of new residential space and include 1.5 parking spaces per unit (54 in total). It would make use of municipal water and sewer lines already serving the property.



Bear Swamp Road Site in Peru - Concept Assumptions

Three-Bedroom Attached Townhouses	
Number of Units	36
Area per Unit	1,200
Total Gross Area	43,200

Total Project Cost — Bear Swamp Road Site in Peru

The project envisions 36 units with a total built area of 43,200 sf. RSMeans data shows the cost of construction for this type of development in Clinton County as $148/sf, giving the structures a total construction cost of $6.4M.

In addition, the project includes 1.5 parking spaces per unit for a total of 54 spaces. At $1,866/space (RSMeans), the full cost of the parking area totals $100,800. The site is privately held and currently priced at $650,000 — around $9,400/acre.

Additional fees include the IDA application fee and payment of the mortgage recording tax. However, the inclusion of sales and mortgage recording tax exemptions provided by the IDA (see below) results in significant cost reductions, totaling well over $400,000.

In sum, the Total Development Cost (TDC) for this configuration comes to $6.8M and this is the amount used to populate the Camoin Associates' Financial Feasibility Model.

Bear Swamp Road Site in Peru - Development Costs

	Units	Area	Cost	Total Cost
Rental Units	36	43,200 sf	$148/sf	$6,393,600
Parking Spaces	54		$1,866/space	$100,764
Site Acquisition		69 acres	$9,400/acre	$650,000
Additional Fees				$101,800
Less Sales Tax and Mortgage Recording Tax Exemptions				$434,300
Total Development Costs				**$6,811,864**

Source: RSMeans, Camoin Associates

Rental Rates — Bear Swamp Road Site in Peru

This scenario envisions 100% of these units being dedicated to market-rate rental pricing. Based on a review of current market conditions in the area, pricing is set at $2.00/SF/month. This yields a monthly rental rate of $2,400 per month for each three-bedroom house.

At 100% occupancy, this property would then provide total gross revenues of $86,400 per month. Shared over the total rentable area, the ***annual* rental rate is then $24.00/sf**. This is the figure used to populate the Camoin Associates' Financial Feasibility Model.

Bear Swamp Road Site in Peru - Rental Rates

Three-Bedroom Attached Townhouses	
Market-Rate Units	36
Area per Unit	1,200
Market-Rate Rent/Month	$2,400
Total Revenue/Month	$86,400
Rental Rate/SF/Yr	$24.00

Clinton County IDA Tax Exemptions

The IDA has the ability to waive certain expenses seen by developers, including the exemption of sales taxes, property taxes, and mortgage recording taxes. For the Bear Swamp Road scenario, the sales tax exemption savings would be nearly $400,000, while waiving the fee for mortgage recording would provide an additional one-time benefit worth $47,000.

In addition, the new property tax exemption provided for in the anticipated update to the county's Uniform Tax Exemption Policy (UTEP), will allow for a reduction in annual property taxes averaging $45,000 each year over the initial five years of operation. This raises the property's cash flow and market valuation considerably. In turn, a higher valuation permits a reduction in the amount of gap funding required, thanks to a larger portion of project financing coming from borrowing.

Value of Clinton County IDA Tax	
Sales Tax	$387,600
Property Tax*	$45,200
Mortgage Recording	$46,700
Total Benefits	**$479,500**

***Note:** Recurring

Consolidated Financial Feasibility Assumptions — Bear Swamp Road Site in Peru

The values discussed above are used as assumptions to populate the financial feasibility model. This includes square footage, construction CPSF, revenue assumptions, and the operating expense percentage. Financing assumptions include a 20% equity contribution that a lender would require to fund the construction, equal to $1.4M.

The tax rate for a residential development in this location measures $23.57 per $1,000 of appraised value (2.357%). Note that, as this is not a multifamily development, the proportion of the structures set aside for common space is set to zero.

Other financing elements are as seen above. Based on the estimated income stream from the envisioned buildout scenario with conventional lending criteria, this project would qualify for a loan totaling only $4.3M. That level of debt, along with the prevailing interest rate, would then require annual debt servicing of $335,000.

Assumptions: Bear Swamp Road Site in Peru

Project Information		
Use Type 1:	**Townhouses**	
Building SF 1:	**43,200**	*Camoin*
Use Type 2:	**Parking**	
Spaces/Unit 2:	**1.5**	*Camoin*
Common Space Allowance	**0.0%**	*Camoin*
Total Rentable Square Feet	**43,200**	*Calculation*
Development Cost per SF:	**$148**	*RSM*
Parking Cost per Space:	**$1,866**	*RSM*
Roadway Cost/Linear Foot	**$221**	*RSM*
Acquisition Cost	**$650,000**	*List Price*
Additional Fees	**$98,600**	*Camoin*
Less Tax Exemptions	**-$431,100**	*Calculation*
Total Development Cost	**$6,811,864**	*Calculation*

Revenue and Performance		
Rate (per SF/Year) Gross		
Townhouses	**$24.00**	*HUD/Camoin*
Vacancy and Credit Loss	**5.0%**	*Camoin*

Annual Expenses		
Property Tax Rate	**2.3565%**	*2025 Actual*
Property Tax Exemption	**0.0%**	*Clinton Cnty*
OpEx (Excl Prop Tax)	**37.9%**	*CoStar*

Financing		
Equity Contribution (%)	**20%**	*Realty Rates*
Equity Contribution ($)	**$1,362,373**	*Camoin*
Max Loan to Value	**73%**	*Realty Rates*
Loan Amount	**$4,348,496**	*Calculation*
Loan Interest Rate	**6.65%**	*Realty Rates*
Loan Term (Years)	**30**	*Realty Rates*
Annual Debt Service	**$334,990**	*Calculation*
Capitalization Rate	**7.91%**	*CoStar*
Required DSCR	**1.43**	*Realty Rates*

Financial Feasibility Assessment — Bear Swamp Road Site in Peru

Pro forma results show potential annual revenues generated by the overall Bear Swamp Road Site development as just over $1.0M. Assuming an average 5% vacancy rate and accounting for credit loss, **Effective Gross Income comes to $985,000.**

Property taxes and operating expenses are estimated to total $514,000, leaving **Net Operating Income for the entire development of $470,000**. Based on prevailing capitalization rates and this level of NOI, the included properties would then justify a **Fair Market Value (FMV) of $6.0M.**

This level of FMV falls $855,000 short of the Total Development Cost. This discrepancy is defined as the Appraisal Gap and, taken as a percentage, this shortfall yields a ***negative*** **Return On Investment (ROI) of -12.6%.**

Ideally, a developer would like to see ROI measuring +15% or more. With this level of FMV, a positive 15% ROI would require a financial investment on the part of the builder significantly below the original TDC of $6.8M. In the case of the Bear Swamp Road Site project, the development would only reach this goal if it received **Gap Funding of $1.9M** to overcome the estimated shortfall.

Feasibility Assessment: Bear Swamp Road Site in Peru

Pro-Forma (first stabilized year)	
Revenue	
Gross Potential Income	$1,036,800
Vacancy and Credit Loss	($51,840)
Effective Gross Income	**$984,960**
Expenses	
Real Estate Taxes	($140,376)
Other Operating Expenses	($373,592)
Total Expenses	**($513,967)**
A. Net Operating Income (NOI)	**$470,993**
Debt Service Payment	($334,990)
B. Annual Cash Flow After Financing (CFAF)	**$136,003**
Fair Market Value When Complete	$5,956,844
Total Construction Cost	$6,811,864
C. Appraisal Gap	**$ (855,020)**
Bank Financing Feasibility	
Debt Service Coverage Ratio (DSCR)	1.41
DSCR Minimum Threshold	1.43
Is Project Able to be Financed?	**No**

Developer Return on Investment (ROI) Analysis	
Annual ROI	
Equity Investment	$1,362,373
Annual Cash Flow After Financing	$136,003
D. (Annual) Equity Dividend Rate	**10%**
Return on Investment	
Yield on Cost (Going-in Cap Rate)	6.9%
Going-out Cap Rate	7.9%
F. Development Spread	**-1.0%**
Fair Market Value When Complete	$5,956,844
Total Construction Cost	$6,811,864
E. Return on Investment (Margin on Cost)	**-12.6%**
Feasibility Assessment	
Margin on Cost Threshold	15.0%
Is Project a Viable Private Investment?	**No**
G. Gap Funding- Surplus or (Shortfall)	**($1,876,800)**

Due to the relatively modest anticipated income stream and FMV when completed, along with the prevailing Loan-to-Value, a bank or other creditor would typically provide just $4.3M of financing for the Bear Swamp Road Site project. At currently prevailing interest rates, this would require debt service payments of $335,000 annually.

The model provides a measure of the Debt Service Coverage Ratio (DSCR). This ratio of Net Operating Income (NOI) to debt service payments measures a developer's ability to meet current debt obligations based on available cash flow. Based on figures provided by RealtyRates.com, lenders currently require a DSCR measure on the order of 1.43 for this type of residential development, as this provides confidence that the borrower's income after expenses will more than exceed the amount needed to make loan payments.

For the full Bear Swamp Road Site build-out scenario, the DSCR registers 1.41, slightly below the threshold level and illustrating that, were gap funding to become available, this development concept would not be quite capable of financing the amount of outstanding debt, and additional cost savings or stronger revenues would be required to move forward.

Note that this challenge would be lessened significantly in a lower interest rate environment.

BUILDOUT SCENARIO 4

ATTAINABLE SENIOR INDEPENDENT LIVING RENTAL TOWNHOUSES

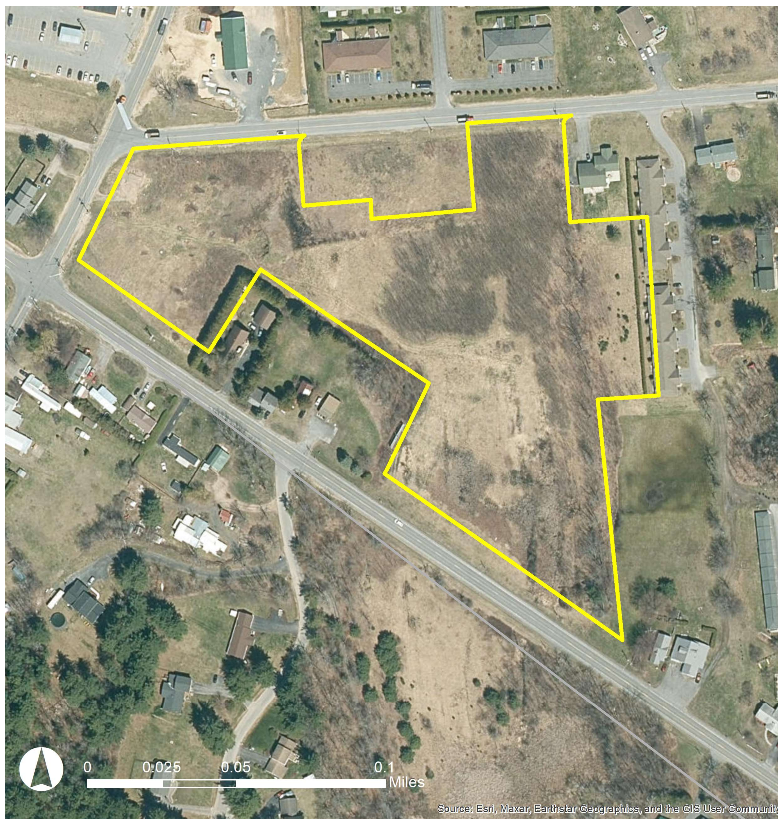
Banker Road Site in the Town of Plattsburgh

NOTE: Analysis and discussion only for illustrative purposes. The following analysis is an effort to illustrate the financial opportunities and limitations for housing development in Clinton County. It does not imply any plans or intentions on the part of the property owner or any developer to construct any specific residential units at the specified location.

With frontage on Banker Road between Tom Miller Road and Cornelia Street, the ten-acre parcel includes access to municipal water and sewer systems.

This development concept calls for the construction of five sets of townhouses, each with six units for a total of 30 new attached single-family homes sized at 1,000 sf. All of these units would be single-story, two-bedroom homes, serving as affordably priced, independent senior-living rental units.

The development would total 30,000 square feet (sf) of new residential space and include 1.5 parking spaces per unit (45 in total). It would make use of municipal water and sewer lines available to the property.



Banker Road Site in Plattsburgh - Concept Assumptions

Two-Bedroom Attached Townhouses	
Number of Units	30
Area per Unit	1,000
Total Gross Area	30,000

Total Project Cost — Banker Road Site in the Town of Plattsburgh

The project envisions 30 units with a total built area of 30,000 sf. RSMeans data shows the cost of construction for this type of development in Clinton County as $153/sf, giving the structures a total construction cost of $4.6M.

In addition, the project includes 1.5 parking spaces per unit or a total of 45 spaces. At $1,866/space (RSMeans), the full cost of the parking area totals $84,000. The site is privately held and currently priced at $499,000 - around $50,000/acre.

In sum, the Total Development Cost (TDC) for this configuration comes to $5.2M and this is the amount used to populate the Camoin Associates' Financial Feasibility Model.

Banker Road Site in Plattsburgh - Development Costs

	Units	Area	Cost	Total Cost
Apartment Units	30	30,000 sf	$153/sf	$4,590,000
Parking Spaces	45		$1,866/space	$83,970
Site Acquisition		10+ acres	$49,900/acre	$499,000
Total Development Costs				**$5,172,970**

Source: RSMeans, Camoin Associates

Rental Rates — Banker Road Site in the Town of Plattsburgh

This scenario envisions 100% of the units being dedicated to attainable rental pricing. With the assumption that all of these two-bedroom units are occupied by two-person senior households, attainable monthly rental payments are then set to $1,120 per month.

At 100% occupancy, this property would then provide total gross revenues of $33,600 per month or an ***annual* rental rate is then $13.44/sf**. This is the figure used to populate the Camoin Associates' Financial Feasibility Model.

Banker Road Site in Plattsburgh - Rental Rates

Two-Bedroom Attached Townhouses	
Affordable Units	30
Area per Unit	1,000
Affordable-Rate Rent/Month	$1,120
Total Revenue/Month	$33,600
Rental Rate/SF/Yr	$13.44

Clinton County IDA Tax Exemptions

The IDA has the ability to waive certain expenses seen by developers including the exemption of sales taxes, property taxes, and mortgage recording taxes. For the Wood Cliff Drive scenario, the sales tax exemption savings would be close to over $280,000, while waiving the fee for mortgage recording would provide a one-time benefit worth $20,000.

In addition, the new property tax exemption provided for in the anticipated update to the county's Uniform Tax Exemption Policy (UTEP), will allow for a reduction in annual property taxes averaging $60,000 each year over the initial five years of operation. This raises the property's cash flow and market valuation considerably. In turn, a higher valuation permits a reduction in the amount of gap funding required, thanks to a larger portion of project financing coming from borrowing

Value of Clinton County IDA Tax Exemptions

Sales Tax	$278,800
Property Tax*	$60,100
Mortgage Recording	$20,300
Total Benefits	**$359,200**

***Note:** Recurring

Consolidated Financial Feasibility Assumptions — Banker Road Site in the Town of Plattsburgh

The values discussed above are used as assumptions to populate the financial feasibility model. This includes square footage, construction CPSF, revenue assumptions, and the operating expense percentage. Financing assumptions include a 20% equity contribution that a lender would require to fund the construction, equal to $1.0M.

The tax rate for residential development in this location measures $23.03 per $1,000 of appraised value (2.303%). Note that, as this is not a multifamily development, the proportion of the structures set aside for common space is set to zero.

Other financing elements are as seen above. Based on the estimated income stream from the envisioned buildout scenario with conventional lending criteria, this project would qualify for a loan totaling only $1.6M. That level of debt, along with the prevailing interest rate, would then require annual debt servicing of $125,000.

Assumptions: Banker Road Site in Plattsburgh

Project Information		
Use Type 1:	**Townhouses**	
Building SF 1:	**30,000**	*Camoin*
Use Type 2:	**Parking**	
Spaces/Unit 2:	**1.5**	*Camoin*
Common Space Allowance	**0.0%**	*Camoin*
Total Rentable Square Feet	**30,000**	*Calculation*
Development Cost per SF:	**$153**	*RSM*
Parking Cost per Space:	**$1,866**	*RSM*
Acquisition Cost	**$499,000**	*List Price*
Total Development Cost	**$5,172,970**	*Calculation*

Revenue and Performance		
Rate (per SF/Year) Gross		
Townhouses	**$13.44**	*HUD/Camoin*
Vacancy and Credit Loss	**5.0%**	*Camoin*

Annual Expenses		
Effective Property Tax Rate	**2.3026%**	*2025 Actual*
OpEx (Excl Prop Tax)	**37.9%**	*CoStar*

Financing		
Equity Contribution (%)	**20%**	*Realty Rates*
Equity Contribution ($)	**$1,034,594**	*Camoin*
Max Loan to Value	**73%**	*Realty Rates*
Loan Amount	**$1,618,644**	*Calculation*
Loan Interest Rate	**6.65%**	*Realty Rates*
Loan Term (Years)	**30**	*Realty Rates*
Annual Debt Service	**$124,694**	*Calculation*
Capitalization Rate	**8.42%**	*Realty Rates*
Required DSCR	**1.43**	*Realty Rates*

Financial Feasibility Assessment — Banker Road Site in the Town of Plattsburgh

Pro forma results show potential annual revenues generated by the overall Banker Road Site development as $403,000. Assuming an average 5% vacancy rate and accounting for credit loss, **Effective Gross Income comes to $383,000.**

Property taxes and operating expenses are estimated to total $196,000, leaving **Net Operating Income for the entire development of $187,000**. Based on prevailing capitalization rates and this level of NOI, the property would then justify a **Fair Market Value (FMV) of $2.2M.**

This level of FMV falls $3.0M short of the Total Development Cost. This discrepancy is defined as the Appraisal Gap and taken as a percentage, this shortfall yields a ***negative*** **Return On Investment (ROI) of -57.1%.**

Ideally, a developer would like to see ROI measuring +15% or more. With this level of FMV, a positive 15% ROI would require financial investment on the part of the builder significantly below the original TDC of $5.2M. In the case of the Banker Road project, the development would only reach this goal if it received **Gap Funding of $3.7M** to overcome the estimated shortfall.

Feasibility Assessment: Banker Road Site in Plattsburgh

Pro-Forma (first stabilized year)	
Revenue	
Gross Potential Income	$403,200
Vacancy and Credit Loss	($20,160)
Effective Gross Income	**$383,040**
Expenses	
Real Estate Taxes	($51,056)
Other Operating Expenses	($145,286)
Total Expenses	**($196,342)**
A. Net Operating Income (NOI)	**$186,698**
Debt Service Payment	($124,694)
B. Annual Cash Flow After Financing (CFAF)	**$62,005**
Fair Market Value When Complete	$2,217,321
Total Construction Cost	$5,172,970
C. Appraisal Gap	**$ (2,955,649)**

Bank Financing Feasibility	
Debt Service Coverage Ratio (DSCR)	1.50
DSCR Minimum Threshold	1.43
Is Project Able to be Financed?	**Yes**

Developer Return on Investment (ROI) Analysis	
Annual ROI	
Equity Investment	$1,034,594
Annual Cash Flow After Financing	$62,005
D. (Annual) Equity Dividend Rate	**6%**
Return on Investment	
Yield on Cost (Going-in Cap Rate)	3.6%
Going-out Cap Rate	8.4%
F. Development Spread	**-4.8%**
Fair Market Value When Complete	$2,217,321
Total Construction Cost	$5,172,970
E. Return on Investment (Margin on Cost)	**-57.1%**

Feasibility Assessment	
Margin on Cost Threshold	15.0%
Is Project a Viable Private Investment?	**No**
G. Gap Funding- Surplus or (Shortfall)	**($3,731,595)**

Due to the relatively modest anticipated income stream and FMV when completed, along with the prevailing Loan-to-Value, a bank or other creditor would typically provide just $1.6M of financing for the Banker Road Site project. At currently prevailing interest rates, this would require debt service payments of $125,000 annually.

The model provides a measure of the Debt Service Coverage Ratio (DSCR). This ratio of Net Operating Income (NOI) to debt service payments measures a developer's ability to meet current debt obligations based on available cash flow. Based on figures provided by RealtyRates.com, lenders currently require a DSCR measure on the order of 1.43 for this type of residential development, as this provides confidence that the borrower's income after expenses will more than exceed the amount needed to make loan payments.

For the full Banker Road Site build-out scenario, the DSCR registers 1.41, rising just above the threshold level and illustrating how, were gap funding to become available, this development concept would be capable of financing the amount of outstanding debt.

Note that this challenge would be lessened significantly in a lower interest rate environment.

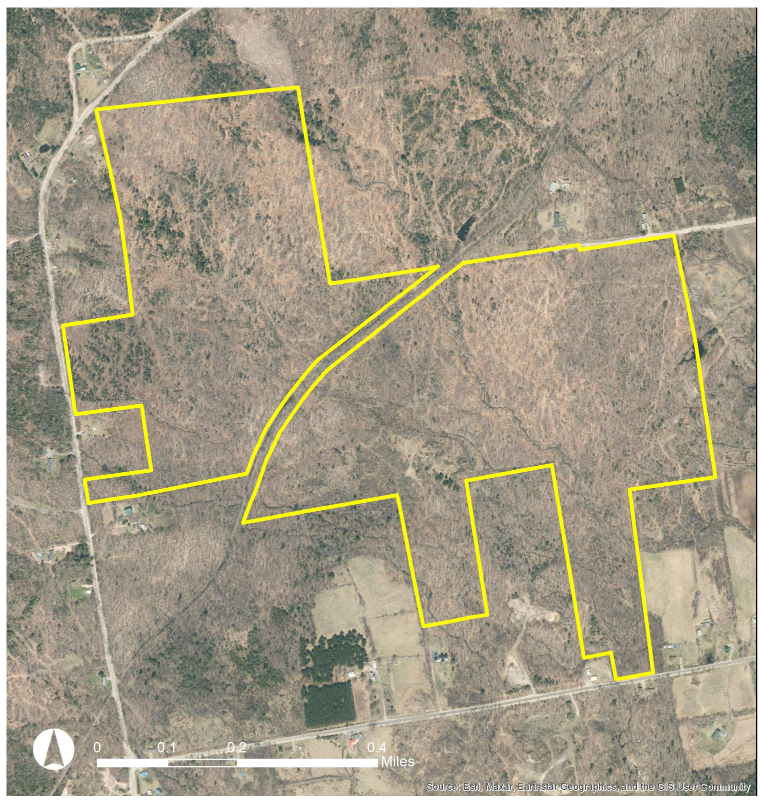
BUILDOUT SCENARIO 5

RURAL MARKET-RATE SINGLE-FAMILY DETACHED HOUSING

Nashville Road Site in Saranac

NOTE: Analysis and discussion only for illustrative purposes. The following analysis is an effort to illustrate the potential for affordable single-family housing in a rural setting. It does not imply any plans or intentions on the part of the property owner or any developer to construct a moderate-density subdivision on the Nashville Road property.

Multifamily rental development may seem the most expedient path towards providing attainable housing thanks to its high density and a variety of financial options such as the Low-Income Housing Tax Credit (LIHTC). While new apartments might answer the needs of many Clinton County households, the results of this housing study also identify significant demand for owner-occupied single-family homes.



Building single-family workforce homes can be financially prohibitive, however, due in part to the high cost of land and restrictive zoning requirements that require builders to construct only low-density developments. There are opportunities, however, to make this type of home much more attainable to moderate-income households — even in a rural setting. Specifically, this is accomplished through the allowance of a greater density development.

Workforce Income Affordability

For all buyers entering the housing market, a wide array of financial considerations factor into their buying power. Some of those elements as seen in this analysis include prevailing mortgage rates (6.65% as of 4Q2024), property tax rates ($24.040 on each $1000 of assessed property valuation in Saranac), the cost of homeowners insurance (assumed to equal 0.5% of home value), private mortgage insurance (PMI — also assumed to equal 0.5% of home value), and monthly utilities which average $489 per household in New York.

Home Buyers Financing and Expense Assumptions - Saranac

Mortgage Interest Rate	6.65%
Mill Rate (equalized)	$24.040
Property Tax Rate	2.4%
Homeowners Insurance*	0.5%
PMI*	0.5%
Monthly Utilities Cost	$489

***Note:** For both homeowner's insurance and private mortgage insurance, the monthly premium is equal to 0.5% of each payment.

Source: RealtyRates.com, Move.org, Clinton County, Camoin Associates

Note that elements contributing to the property tax rate (mill rate per $1,000 of valuation) include a town tax, general funds taxes, highway taxes, a Saranac Fire District (FD025) tax, the Central School tax, and a library tax. In sum, these total $24.04 per $1,000 of assessed value (or 2.4% of total assessed value).

Workforce housing is typically defined as being available and attainable to a household making between 80% and 120% of the Area Median Income (AMI) as determined by HUD. At the upper end of that range, a family of four in Clinton County making 120% of the AMI would see an annual income of $112,200. Mortgage payments not exceeding 30% of this income level imply monthly outlays of $2,805 or roughly $33,700 annually. After factoring in an owner's anticipated cost of various expenses, this leaves just under $1,560 per month available to service a loan.

After a 10% downpayment, the supposed family of four sees a **maximum attainable purchasing price of $270,200**.

Maximum Affordable Home Owner Payments and Purchase Price - Household at 120% of Clinton County AMI

	Monthly	Annual	Share
Annual Income (120% of AMI)	$ 9,350	$ 112,200	
Payments			
Mortgage Payment	$ 1,561	$ 18,731	55.6%
Property Taxes	$ 541	$ 6,495	19.3%
Homeowner's Insurance	$ 113	$ 1,351	4.0%
Private Mortgage Insurance (PMI)	$ 101	$ 1,216	3.6%
Utility Costs	$ 489	$ 5,868	17.4%
Total Payments	**$ 2,805**	**$ 33,660**	**100.0%**
Maximum Affordable Home Price		**$270,200**	

Source: HUD, RealtyRates.com, Move.org, Clinton County, Camoin Associates

Total Project Costs and Development Buildout Description

Home Construction Costs

The buildout concept calls for a subdivision in the more rural community of Saranac. In order to hold development costs down, these homes are assumed to be relatively modest 1,200 sf, single-story units constructed to an "economy" build quality. Based on the construction cost estimation service RSMeans, these specifications indicate a cost per square foot (cpsf) of $139. This yields a construction cost for the structure alone of **$178,800**.

Private Road Construction Costs

Building out this subdivision calls for the laying down of a new private roadway. RSMeans reports that a 28-foot-wide roadway with 3.5" of asphalt over 6" of crushed stone costs $207 per linear foot.

Assuming each unit has a full 100 feet of roadway frontage and one unit on either side of the road, the effective per-unit cost will be 50 feet of roadway times the cost per foot, or $10,325 added to the development's per-unit cost.

Combined, the cost of building each unit and providing 100 feet of roadway frontage would total **$189,000**.

The construction cost portion of the development then increases in direct relation to the size of the project. Depending on the number of units constructed, the home building and roadway costs increase in a linear fashion with the total registering as $189,000 times the number of units.

Home Building and Roadway Costs - Saranac Single-Family Subdivision

Units	Home Bldg Cost/sf	SF per Unit	Cost per Unit	Total Bldg Cost	Roadway Cost	Total Bldg and Roadway Costs	Average Cost/Unit
4	$149	1,200	$178,800	$715,200	$41,300	$756,500	$189,125
8	$149	1,200	$178,800	$1,430,400	$82,600	$1,513,000	$189,125
16	$149	1,200	$178,800	$2,860,800	$165,200	$3,026,000	$189,125
24	$149	1,200	$178,800	$4,291,200	$247,800	$4,539,000	$189,125
32	$149	1,200	$178,800	$5,721,600	$330,400	$6,052,000	$189,125
40	$149	1,200	$178,800	$7,152,000	$413,000	$7,565,000	$189,125
48	$149	1,200	$178,800	$8,582,400	$495,600	$9,078,000	$189,125
56	$149	1,200	$178,800	$10,012,800	$578,200	$10,591,000	$189,125
64	$149	1,200	$178,800	$11,443,200	$660,800	$12,104,000	$189,125
72	$149	1,200	$178,800	$12,873,600	$743,400	$13,617,000	$189,125
80	$149	1,200	$178,800	$14,304,000	$826,000	$15,130,000	$189,125

Source: RSMeans, Camoin Associates

Wastewater Treatment System Costs

While a nearby municipal wastewater treatment plant services the Village of Dannemora, it is not clear if connecting a Nashville Road development to the service would be economically feasible. There is, however, an alternative — providing wastewater treatment alongside the development.

The Sanitary Code of the Clinton County Health Department, referencing the New York State Department of Health's treatment standards (Appendix 75-A), requires that wastewater systems be designed to accommodate a flow of 110 gallons per day per bedroom. Each of the homes described for this analysis includes three bedrooms, meaning a treatment system for four units would need a capacity of 1,320 gallons per day, 2,640 gallons per day for eight units, and so on.

While the installation costs of a wastewater treatment system are significant, the cost per household actually declines quite rapidly as the system is enlarged. The Treatment Plant Budget Calculator hosted by EarthTek provides general cost estimates for multiple types of systems based on daily flow volume. This tool was used to generate approximate measures for the cost of installing treatment systems of various sizes as might be appropriate to the Saranac site envisioned in this analysis. Note that as the scale of development increases, the cost of the treatment system also rises, but the marginal increase quickly declines as the scale of development rises. For instance, a system designed to accommodate eight homes would cost over $33,000 per unit. For a forty-unit development, however, the average cost drops significantly, falling to just $8,000 per unit.

Wastewater Treatment System Costs - Saranac Single-Family Subdivision

Units	Bedrooms Per Unit	Gallons/ Day/Bedroom	Total Gallons	Total System Cost*	System Cost/Unit
4	3	110	1,320	$257,800	$64,500
8	3	110	2,640	$264,500	$33,100
16	3	110	5,280	$278,100	$17,400
24	3	110	7,920	$291,700	$12,200
32	3	110	10,560	$305,400	$9,500
40	3	110	13,200	$319,000	$8,000
48	3	110	15,840	$332,600	$6,900
56	3	110	18,480	$346,200	$6,200
64	3	110	21,120	$359,800	$5,600
72	3	110	23,760	$373,500	$5,200
80	3	110	26,400	$387,100	$4,800

***Note:** Based on MBBR type system appropriate for residential development

Source: health.ny.gov, earthtek.com, Camoin Associates

Cost of Land Acquisition and Sitework

The 241-acre property on Nashville Road is priced at $349,000. Again, as the number of units developed on the site increases, the fixed acquisition cost is spread among more units, rapidly driving down the portion carried by each home. An eight-unit development would see each home covering nearly $44,000 in costs. Developing forty homes, however, would spread out the cost of land such that each unit would incur less than $9,000 in expenses.

In addition, the Nashville Road site would require site work prior to any type of development. A review of the site cost at residential locations revealed a wide range of possible expenses for this type of work. Considering the wooded nature of the Nashville Road site, the cost to clear each acre of land is set at $7,500/acre. Assuming that half of an acre is cleared for each unit, this results in a cost per unit of $3,750 each. Note that while much of this cleared land would serve as the setting of the homes themselves, a portion would also find use as common space and as the location of the required wastewater treatment system.

Land Costs and Site Work Costs - Saranac Single-Family

Property Cost	Cleared Acres	Site Work	Total Land & Site Work	Land Cost/Unit
$349,000	2	$15,000	$364,000	$91,000
$349,000	4	$30,000	$379,000	$47,400
$349,000	8	$60,000	$409,000	$25,600
$349,000	12	$90,000	$439,000	$18,300
$349,000	16	$120,000	$469,000	$14,700
$349,000	20	$150,000	$499,000	$12,500
$349,000	24	$180,000	$529,000	$11,000
$349,000	28	$210,000	$559,000	$10,000
$349,000	32	$240,000	$589,000	$9,200
$349,000	36	$270,000	$619,000	$8,600
$349,000	40	$300,000	$649,000	$8,100

Source: Camoin Associates

Combined Development Costs

Summing up these multiple development costs, home construction, roadway, wastewater treatment system, land acquisition, and site work, yields the total development cost for a supposed subdivision. While a portion of these costs increases linearly with the number of units constructed, the per-unit cost of the wastewater system and land purchase diminishes significantly as the number of units increases.

This is the key element that allows for such a dramatic reduction in sales prices with a greater density of units. For example, under the scenario where just 8 units were to be constructed, the average cost per unit measures over $344,000. Increasing the number of units to 40, however, drives the average cost down to just $210,000 — a 22% lower figure.

Total Development Costs - Saranac Single-Family Subdivision

Units	Total Bldg and Roadway Costs	Total Wasetwater System Cost	Total Land & Site Work	Total Development Costs	Average Cost/Unit
4	$756,500	$257,800	$364,000	$1,378,300	$344,600
8	$1,513,000	$264,500	$379,000	$2,156,500	$269,600
16	$3,026,000	$278,100	$409,000	$3,713,100	$232,100
24	$4,539,000	$291,700	$439,000	$5,269,700	$219,600
32	$6,052,000	$305,400	$469,000	$6,826,400	$213,300
40	$7,565,000	$319,000	$499,000	$8,383,000	$209,600
48	$9,078,000	$332,600	$529,000	$9,939,600	$207,100
56	$10,591,000	$346,200	$559,000	$11,496,200	$205,300
64	$12,104,000	$359,800	$589,000	$13,052,800	$204,000
72	$13,617,000	$373,500	$619,000	$14,609,500	$202,900
80	$15,130,000	$387,100	$649,000	$16,166,100	$202,100

Source: Camoin Associates

Additional Expenses and Average Sales Prices

Bringing together the cost of home building, roadway construction, installation of a wastewater treatment system, site work, and land acquisition yields total development cost estimates ranging from nearly $1.4 million to build just four units on the Nashville Road site to over $16 million for an 80-unit project.

Beyond a project's initial construction costs, however, the National Association of Home Builders (NAHB) has published figures showing that additional expenses, including financing costs, overhead, marketing, and commissions, typically sum to almost 19% of the total development costs. Final sales will also need to provide the developer with a reasonable profit for assuming the risks and shouldering the management of such a challenging project. According to NAHB, this compensation typically registers as around 10% of the final sales price.

Given these added expenses, the total revenue required to motivate the new home building of the modest homes outlined for this concept at the Saranac site would range from $1.8M for a limited four-unit project to over 21M for a full 80-unit development.

Notably, averaging the total required sales revenue over the number of units reveals a steady and significant decline in the average sale price for each home needed to provide sufficient revenues to justify the overall buildout. In the case of the Nashville Road location, construction of what is effectively 1,200 sf "starter homes" at a sufficient scale of development could allow **sales prices to fall to under $270,000** for each unit.

Required Developer Revenues and Average Unit Sale Price - Saranac Single-Family Subdivision

Units	Total Development Costs	Financing + Overhead	10% Margin	Total Required Sales Revenues	Average Sale Price/Unit
4	$1,378,300	$256,360	$181,600	$1,816,300	$454,100
8	$2,156,500	$401,110	$284,200	$2,841,800	$355,200
16	$3,713,100	$690,640	$489,300	$4,893,000	$305,800
24	$5,269,700	$980,160	$694,400	$6,944,300	$289,300
32	$6,826,400	$1,269,710	$899,600	$8,995,700	$281,100
40	$8,383,000	$1,559,240	$1,104,700	$11,046,900	$276,200
48	$9,939,600	$1,848,770	$1,309,800	$13,098,200	$272,900
56	$11,496,200	$2,138,290	$1,514,900	$15,149,400	$270,500
64	$13,052,800	$2,427,820	$1,720,100	$17,200,700	$268,800
72	$14,609,500	$2,717,370	$1,925,200	$19,252,100	$267,400
80	$16,166,100	$3,006,890	$2,130,300	$21,303,300	$266,300

Source: National Association of Home Builders, Camoin Associates

An Attainable Single-Family Detached Home Development in Clinton County

For a Clinton County family of four with annual earnings of $112,200 (120% of AMI — the upper end of those seeking "workforce housing"), holding the monthly payments to an attainable level (30% of total income) in the current financial environment allows these would-be home buyers a **budget of up to $270,200**.

Based on the purchase price at the Nashville Road site in Saranac, the cost of building relatively modest single-family homes, road and site work, and the installation of a wastewater treatment plant, the **development of a 56-unit subdivision could yield sales prices of $270,500** — a figure consistent with the buying power of a moderate income household in Clinton County.

Additional Considerations

The ability to provide new single-family workforce homes to more moderate-income households is predicated on the assumption that a property (in this case, the site on Nashville Road in Saranac) is granted the needed variances to allow for conservation subdivision design or cluster development. The 241 acres included on this property well exceeds the amount needed to support 56 units with 3.2 acres per unit as currently required by the Adirondack Park Agency's Low-Intensity Use zoning.

Revisiting and updating zoning regulations among most all municipalities to allow for greater density by right can greatly support efforts to encourage the levels of residential development needed to meet the county's anticipated demand growth over the coming five years or more.

In addition, builders interviewed for this study also cited the usefulness of the **Empire State Sales Tax Exemption**. Providing more of this type of **tax break, limiting fees, or other concessions** can make a significant difference in a planned project's ability to move ahead.

APPENDIX: DATA SOURCES

CoStar is a comprehensive source of commercial real estate intelligence, offering an inventory of over 6.4 million commercial properties spanning 135 billion square feet of space in 390 markets across the US. CoStar covers office, retail, industrial, hospitality, and multifamily markets. Property- and market-level data on absorption, occupancy, lease rates, tenants, listings, and transactions are researched and verified through calls to property managers, review of public records, visits to construction sites, and desktop research to uncover nearly real-time market changes. Click to learn more.

RealtyRates.com is a survey-based resource for real estate investment and development trends, analytics, and market research. RealtyRates.com surveys more than 300 lenders, investors, brokers, and property managers nationwide on a quarterly basis to track trends in cap rates, financing terms, rents, sales, and operating expenses. This data provides an up-to-date snapshot of the national real estate market. Click to learn more.

RSMeans data from Gordian provides up-to-date construction cost information for dozens of residential and commercial building types. Cost-per-square-foot data can be used to develop construction cost estimates for use in market analysis and financial feasibility analysis, incorporating estimates for material, labor, and equipment. National cost averages can be adjusted for 970+ specific geographies using location factors down to the city level, and historical cost indexes can be used to adjust costs over time. Click to learn more.

HUD User is managed by the US Department of Housing and Urban Development's Office of Policy Development and Research. HUD User hosts research, publications, and datasets in housing, community development, and more. This is the official data source for federal income limits and Fair Market Rent. HUD develops income limits based on Median Family Income estimates and Fair Market Rent area definitions for each metropolitan area, parts of some metropolitan areas, and each non-metropolitan county. Click to learn more.

The **National Association of Home Builders (NAHB)** represents the interests of home builders, developers, contractors, and associated businesses. As part of their operations, NAHB conducts a wide range of original research including surveys of builders, analysis of building costs, and macroeconomic forecasting. Click to learn more.

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