

Paragon Dunes

It seems that we are at an impasse. The root of the problem is that the developer is stuck on the numbers. Those come in two categories, Costs and revenues. Another metric that plays into this is the odd shape of the parcel.

Costs include acquisition, demolition, site preparation, utility installation, construction, etc. Ongoing costs will include debt service, maintenance, rental property management, taxes, insurance, etc.

The other category of numbers is revenue, the cash flow from rentals. This is calculated as the number of apartments with monthly rental rate for each one based on size and view and amenities. The more apartments, the more revenue.

The assertion by Procopio is that the project reaches viability only at 132 units. At that level the revenues exceed the costs so that a targeted return is met. Obviously the larger the number of units is the more revenue there is. If they could put 150 units in and generate even more revenue then they would. That's the pure profit motive.

Many of the objections voiced by the community that focused on the design aspect have been addressed. The building design is looking much better. But because the parcel includes the "dragon tail" piece extending from the end of the art walk all of the way to Rockland Circle. If that piece was not available then the developer would have to shrink the size of the building because that space would not be available for parking. So, it's there and they're paying for it and so they're going to stuff twelve pounds of potatoes into a ten pound bag when it comes to the buildings. And the result is too much building on too little usable land at the heart of the site on the north side. Also, there is the problem that a number of people have raised that the trek from the

end of that parking lot to the building will be about one thousand feet. Long term, that will degrade the value of the project and reduce the occupancy rate.

I think it would be better to get all of the parties together (the owner of the parcel, the developer, the DCR, and the town boards) to figure out a way to negotiate a better overall solution. Nobody wants the project to fail or be suboptimal. The numbers have to work for all parties and some compromise will be required. I don't know the solution but I think I know the problem.