

Christopher O'Brien

From: Mayor
Sent: Monday, March 07, 2016 10:46 PM
To: Christopher O'Brien
Cc: Donna Conkling; Steve Pappalardo; Robert Cole; David Lee (dlee.trustee@gmail.com); Bill Stern; dpekarek@verizon.net; Marc Samwick (marc.samwick@verizon.net); Carl Finger; Matt Callaghan
Subject: Fw: proposed tax increase

FYI. JM

From: Mayor
Sent: Monday, March 7, 2016 10:44 PM
To: Michael Wachs
Subject: Re: proposed tax increase

Dear Mr. Wachs -- Thank you for your email.

Very truly yours, Jon Mark

From: Michael Wachs <michael@sociuscg.com>
Sent: Monday, March 7, 2016 5:38 PM
To: Mayor
Subject: proposed tax increase

Dear Mayor Mark,

I am writing to you to express my disappointment that the Trustees would propose a tax increase of 3.69%, far beyond levels that other comparable towns are levying. It seems to me that there is more than a casual link between the proposed tax increase and upcoming revaluation. As I am sure you are aware, the revaluation destroyed property values in Heathcote even more than the Recession did. I know of homes that are likely to trade this Spring at 20-30% below their assessed values. Hopefully, the Village will get it right the second time, so there is no further value destruction. I understand that the likely shortfall will need to be made up somewhere. I would encourage the Village to use more of the Fund Balance to mitigate a tax rate increase. If the Village gets the revaluation correct this time, high-end property values should begin to recover, and the Village will be able to recover the shortfall through appreciation of real estate instead of a tax rate increase. By contrast, a significant tax increase will only further serve to negatively encumber property values, as the revaluation has, creating an unending downward spiral.

I hope the Trustees recognize the value that was destroyed by dramatically raising taxes beyond fair valuations in Heathcote, and don't make the same mistake a second time. Scarsdale is a great place to live, but needs to be competitive with other similarly situated municipalities. Today, plunging high-end real estate prices suggest that it isn't. Raising taxes will only exacerbate the problem, not correct it.

Respectfully,
Michael Wachs
18 Dolma Road
(917) 509-6446