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December 1, 2021

HAND DELIVERED
City of Plattsburgh
Zoning Board of Appeals
41 City Hall Place
Plattsburgh, NY 12901

Re: Keith L. Howe
3.63 Acre Parcel, Arizona Avenue, City of Plattsburgh
Tax Map No. 233.6-1-6.2

Dear Sirs/Madams:

As you are aware, the undersigned represents Mr. Keith L. Howe with respect to a Class A Variance Application and a Class B Variance Application for the above-referenced parcel of property.

In that regard, enclosed please find eleven (11) copies of a report from Mr. Derek Rosenbaum analyzing the financial hardship created by the permitted uses in the R-2 Zone where the subject property is located.

If the Zoning Board and/ or the Building Inspector's Office should have any questions or comments with respect to this letter, please do not hesitate to contact the undersigned.

Thanking you for your kind consideration, I remain

Very truly yours,

**STAFFORD, OWENS, PILLER, MURNANE,
KELLEHER & TROMBLEY, PLLC**

By: 

Thomas M. Murnane, Esq.

TMM/kmm
Enclosure

cc: Mr. Keith Howe
WJB Properties

Ronald B. Stafford
(1935-2005)

November 30, 2021

Joseph McMahon
Building Inspector
City of Plattsburgh
41 City Hall Place
Plattsburgh, New York 12901

RE: Keith Howe's Property
Arizona Avenue (Parcel ID 233.6-1-6.2)
Plattsburgh, NY 12901

Dear Mr. McMahon:

I have been requested to inspect the above captioned property and analyze the Schedule of Permitted Uses Part A from the City of Plattsburgh Zoning Ordinance. The purpose of this analysis is to explain the financial hardship (lack of a reasonable return) created by the permitted uses in the R-2 zoning district where the subject is located.

The subject property is situated on the east side of Arizona Ave. and north side of South Peru Street and the parcel ID is 233.6-1-6.2. The property is currently vacant land and there is a potential purchaser who is applying for a variance for a self-storage use. A self-storage use is not a permitted use within the R-2 zoning district.

The subject parcel contains 3.63 acres of land and it is oddly shaped which makes development difficult. Neighboring properties include the following uses: industrial, electric substation, trucking, self-storage and minor residential. The land is generally level and mostly wooded. According to the Clinton County GIS Map the subject property does not contain any wetlands and is not in a floodplain. There are multiple utility easements that cross the property, prohibiting development on many portions of the property. This leaves a narrow strip of developable land along Arizona Ave. approximately 0.96 acre and approximately 0.92 acre of developable land along South Peru St. and these two portions are separated by a utility easement.

Subject Photos



North facing view of the subject from Arizona Ave.



East facing view of the subject from Arizona Ave.

Subject Photos



South facing view of the subject from Wall Street

Proof of Financial Hardship

I will discuss the Use Variance as specified in City of Plattsburgh's Zoning Law, Section 360-54 Zoning Board of Appeals, D (3)(1)(a), "the applicant cannot realize a reasonable return, provided that lack of return is substantial as demonstrated by competent financial evidence". The current subject owners cannot realize a reasonable return and their lack of return is substantial.

The property has been for sale for many years with only one bona fide offer, which is the current offer by the potential purchaser for a self-storage use. The property was originally listed through MLS for \$98,000 in 2016 as vacant industrial land.

According to a City zoning map in the Building Inspector's office, the subject lot is located in an R-2 zoning district where a self-storage use is not an allowed use. The subject owner is seeking a Use Variance to allow for a self-storage use within the R-2 zoning district. There is little demand in the area for many of the permitted uses; the industrial location is a poor location for most of the permitted uses; and the lot shape and utility easements prohibit most development. None of these uses would produce a reasonable return for the owner. A substantial financial hardship has been created because the owner cannot realize a reasonable return by developing or selling the land for any of the permitted uses.

On the following pages, financial proof will be provided that supports these claims:

Permitted Uses in an R-2 Zoning District

**Schedule I
Schedule of Permitted Uses Part A**

| Zoning District | Permitted Principal Uses | Accessory Uses | Uses Requiring Special Permit |
|-----------------------------|---|--|--|
| R-1 Low-Density Residential | <ol style="list-style-type: none"> 1. Single family residences. 2. Churches or other houses of worship. 3. Elementary and high schools. 4. Public parks and recreation facilities | <ol style="list-style-type: none"> 1. Home occupations as permitted according to this chapter 2. Other uses customarily accessory to permitted principal uses as defined in this chapter. | <ol style="list-style-type: none"> 1. Cemeteries. 2. Essential public utility facilities. 3. Private Clubs 4. Nursing and rest homes |
| RH | <ol style="list-style-type: none"> 1. Single Family Residence 2. Home Occupation | <ol style="list-style-type: none"> 1. Public Park or Recreation Facility 2. Other uses customarily accessory to permit principal uses. | <ol style="list-style-type: none"> 1. Nursing or Rest home 2. Conversion of an existing structure creating one accessory apartment.¹ 3. Professional Office 4. Photographic Studio or Art Gallery 5. Bed & Breakfast Establishment 6. Medical or Dental Clinic 7. Church or other house of worship. 8. Elementary or High School. 9. College or University 10. Fire Station |
| R-2 General Residential | <ol style="list-style-type: none"> 1. Single-family residences. 2. Two-family residences 3. Three family residence 4. Multifamily residences. 5. Townhouse residences. 6. Churches or other houses or worship. 7. Hospitals and medical and dental clinics. 8. Elementary and high schools. 9. Essential public utility facilities 10. Public parks and | <ol style="list-style-type: none"> 1. Home occupations as permitted according to this chapter. 2. Other uses customarily accessory to permitted principal uses as defined in this chapter. 3. Agricultural uses | <ol style="list-style-type: none"> 1. Universities or colleges. 2. Neighborhood and convenience-type commercial facilities 3. Cemeteries. 4. Hospitals and medical and dental clinics. 5. Essential public utility facilities. 6. Private Clubs 7. Nursing and rest homes. |

Permitted Uses in an R-2 Zoning District (cont.)

**Schedule I
Schedule of Permitted Uses Part A**

| Zoning District | Permitted Principal Uses | Accessory Uses | Uses Requiring Special Permit |
|--------------------------------------|---|---|---|
| R-2 cont. | recreation facilities. | | 8. Funeral homes. 9. planned unit developments 10. Nursery schools and day-care facilities. 11. Professional offices. |
| B-1 General Business and B-2 Highway | 1. Retail businesses and commercial uses commonly associated with neighborhood and <ol style="list-style-type: none"> a. Grocery stores, food specialty shops and supermarkets. b. Drug Stores. c. Hardware stores. d. Apparel stores. e. General department stores. f. Appliance, home decorating and furniture stores. g. Book and Stationery stores. h. Photographic studios and art galleries. i. Other similar uses 2. Personal and business service establishments, such as: <ol style="list-style-type: none"> a. Banks b. Professional and administrative offices. c. Medical and dental clinics. d. Barber and beauty shops. e. Laundry establishments. f. Repair shops for shoes, watches, | 1. Parking and loading areas. 2. Other uses customarily accessory to the permitted principal uses defined in this chapter. | 1. Automobile service and repair shops. 2. Liquor stores. 3. Essential public utility facilities. 4. Automobile agencies. 5. Tractor, trailer, and boat sales establishments. 6. Building supply stores. 7. Television and radio broadcast facilities. 8. Hospitals. 9. Shopping centers. 10. Warehouses and storage facilities. 11. Drive-in businesses. 12. Dry-cleaning business. 13. Amusements and recreation areas 14. Residential uses in B-1 Districts only. 15. Light Industrial Use ² . 16. Adult use or entertainment establishments. ³ 17. Planned unit developments. |

Permitted Uses in an R-2 Zoning District (cont.)

Analysis:

The allowed uses in an R-2 zoning district are illustrated on the previous pages. There are 10 permitted uses, 3 accessory uses and 11 uses requiring a special permit. Below I will discuss why the permitted uses in the subject's zoning district do not provide a reasonable return. **Many of the permitted uses have little demand in the area as similar uses already exist in other locations throughout the area. The subject's industrial location is a poor location for many of the permitted uses. I will illustrate with financial calculations why these uses would still not produce a reasonable return.**

| | Permitted Uses | Evidence |
|----|--|---|
| 1 | Single-Family residences | Poor location for single-family in an industrial neighborhood. Lack of reasonable return. See cost vs. market value on following pages. |
| 2 | Two-family residences | See multi-family use. |
| 3 | Three-family residences | See multi-family use. |
| 4 | Multifamily residences | Poor location for multifamily in an industrial neighborhood. Lack of reasonable return. See multi-family financial calculations and cost vs. market value on following pages. |
| 5 | Townhouse residences | See multi-family use. |
| 6 | Churches or other houses of worship | Poor location in an industrial neighborhood and demand for this use is satisfied throughout the area. |
| 7 | Hospitals and medical and dental clinics | Hospital use is prohibited by lot size and no demand in the City. Poor location in an industrial neighborhood for medical & dental clinics and demand for this use is satisfied in other locations around Plattsburgh. See cost vs. market value on following pages. |
| 8 | Elementary and high schools | Lack of demand and poor location for this use in an industrial neighborhood. |
| 9 | Essential public utility facilities | Lack of demand, plus there is an MLD substation located adjacent to the subject property and MLD does not have a need to expand. |
| 10 | Public parks and recreation facilities | Lack of demand as there are multiple facilities within 1-2 miles and poor location for this use in an industrial neighborhood. |
| | Accessory Uses | Evidence |
| 1 | Home occupations as permitted according to this chapter | See single-family use. |
| 2 | Other uses customarily accessory to permitted principal uses as defined in this chapter | N/A |
| 3 | Agricultural uses | There are no tillable soils on the subject property and land size is too small for a profitable agricultural use. |
| | Uses Requiring Special Permit | Evidence |
| 1 | Universities or colleges | Lot size would prohibit this use and demand is satisfied within the City. |

| | | |
|----|---|--|
| 2 | Neighborhood and convenience-type commercial facilities | Poor location for this use in an industrial neighborhood and traffic counts are too low to support this use. See cost vs. market value on following pages. |
| 3 | Cemeteries | Lack of demand and poor location for this use. |
| 4 | Hospitals and medical and dental clinics | See #7 under permitted uses. |
| 5 | Essential public utility facilities | See #9 under permitted uses. |
| 6 | Private Clubs | Lack of demand as there are multiple facilities within 1-2 miles and poor location for this use in an industrial neighborhood. |
| 7 | Nursing and rest homes | Poor location for this use in an industrial neighborhood. See cost vs. market value on following pages. |
| 8 | Funeral Homes | Lack of demand as there are multiple facilities within the City and poor location for this use in an industrial neighborhood. |
| 9 | Planned Unit Development | Lot size, layout and location of utility easements would prohibit a PUD. |
| 10 | Nursery schools and day-care facilities | Poor location for this use in an industrial neighborhood. See cost vs. market value on following pages. |
| 11 | Professional offices | This is a plausible use in this location; however this use would not produce a reasonable return. See office financial calculations and cost vs. market value on following pages. |

Development Cost versus Market Value for Permitted Uses

| Permitted Use | Development Cost per sf. | Market Value per sf. |
|--------------------------|-----------------------------|-------------------------|
| Single-Family | \$175 | \$120 - \$130 |
| Multi-Family | \$120 | \$45 - \$100 |
| Medical & Dental Clinics | \$200 | \$100 - \$125 |
| Convenience-Store | \$175 | \$115 - \$150 |
| Neighborhood Comm. | \$115 | \$50 - \$90 |
| Nursing Homes | \$210 | \$50 - \$100 |
| Day-Care Facilities | \$150 | \$25 - \$35 |
| Professional Offices | \$150 | \$80 - \$100 |

The table above shows current development costs for the permitted uses. The market value for each permitted use is also shown. Market values were derived from sales of these use types in the area.

Each permitted use has a higher development cost than its market value. **This indicates that if any of the permitted uses were developed on the site, the resulting market value or sale price would be less than the developer's investment, which would result in no return on investment.**

Financial Calculations for Multi-Family Development

| Arizona Ave.- Multi-Family Use | | |
|---|-----------|------------------|
| Cost to build 35 apt. units @ \$120/sf. | | \$4,200,000 |
| Owner's Equity (25% of cost) | | \$1,050,000 |
| Annual Gross Income | | \$399,000 |
| Less Vacancy | | -\$39,900 |
| Actual Rental Revenue | | \$359,100 |
| Taxes, Insurance, Utilities, Maint, Mgmt, Reserves, Debt Service | \$375,148 | |
| Total Annual Operating Expenses | | \$375,148 |
| Negative Cashflow | | -\$16,048 |
| No Return on Equity Investment | | -1.53% |

The table above shows the cost to construct 35 apartment units on the subject property. Based on the zoning ordinance, it is assumed that a maximum of 35 apartment units would be allowed. Vacancy is deducted from gross income to arrive at actual revenue. Then typical expenses are deducted from revenue to determine cashflow. **After all expenses are deducted, there is a negative cashflow which results in no return on investment.**

If the allowed number of units is actually less than 35 units, then the return on investment would also be less; this also goes for townhouses, two-family, three-family or a rented single-family. This is typical in the market and is based on economies of scale: as the number of units & rental income increases, there is a proportionate savings in expenses creating a higher return. So with 35 units having no return, there would still be no return with fewer units or a rented single-family house.

Financial Calculations for Office or Other Commercial Development

| Arizona Ave.- Office or Other Commercial Use | | |
|--|-----------|------------------|
| Cost to build 25,000 sf. @ \$150/sf. | | \$3,750,000 |
| Owner's Equity (25% of cost) | | \$937,500 |
| | | |
| Annual Gross Income | | \$250,000 |
| Less Vacancy | | -\$37,500 |
| Actual Rental Revenue | | \$212,500 |
| Taxes, Insurance, Maint, Mgmt, Reserves, Debt Service | \$283,162 | |
| Total Annual Operating Expenses | | \$283,162 |
| Negative Cashflow | | -\$70,662 |
| No Return on Equity Investment | | -7.54% |

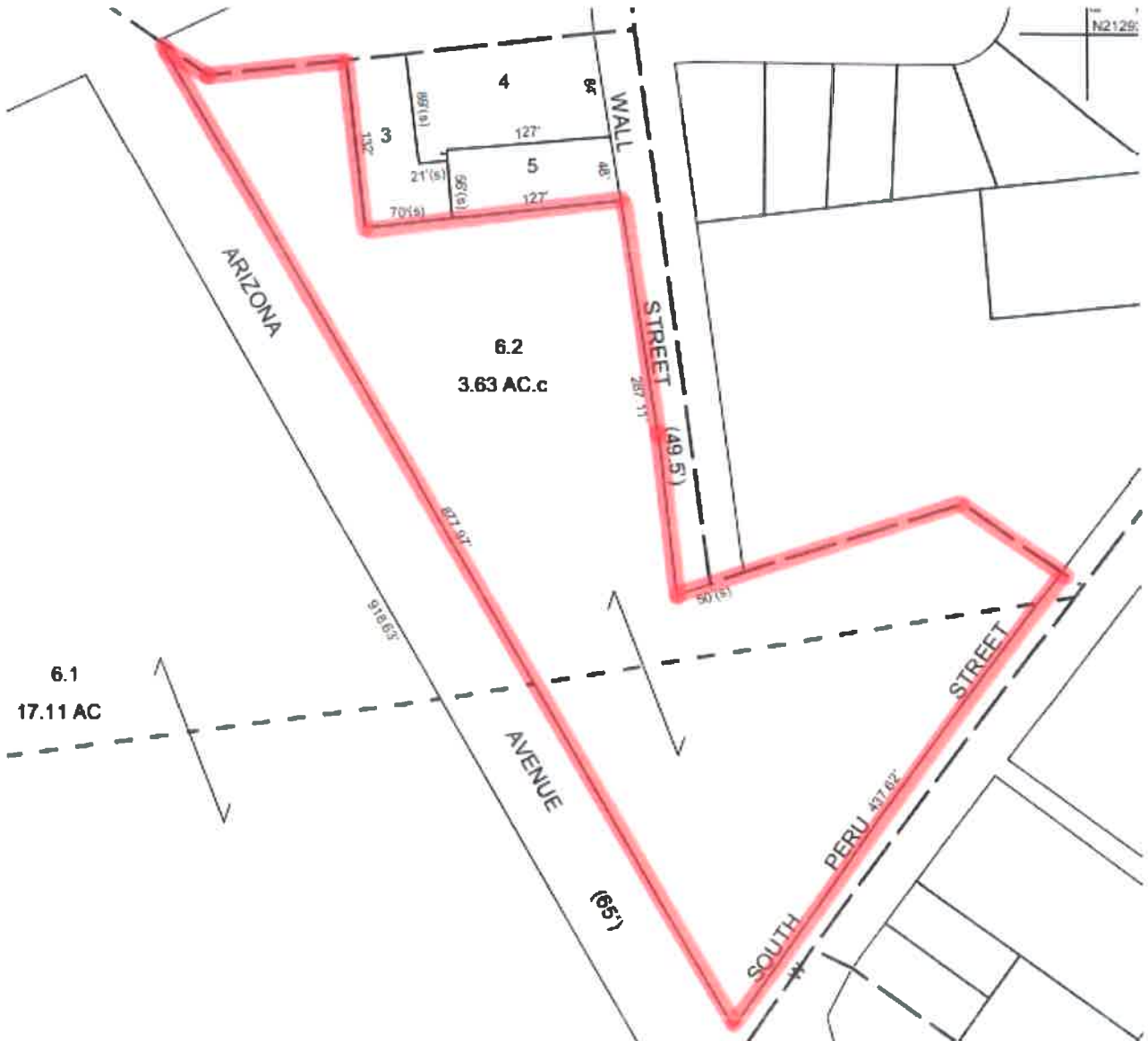
The table above shows the cost to construct an office building or other commercial use building approximately 25,000 sq.ft. in size. Based on developable area, zoning minimums and lot layout, it is assumed that a 25,000 sq.ft. building would be allowed. Vacancy is deducted from gross income to arrive at actual revenue. Then typical expenses are deducted from revenue to determine cashflow. **After all expenses are deducted, there is a negative cashflow which results in no return on investment.**

Financial Calculations for Self-Storage Development

| Arizona Ave.- Self-Storage Use | | |
|---|-----------|------------------|
| Cost to build 166 self-storage units @ \$40/sf. | | \$1,200,000 |
| Owner's Equity (25% of cost) | | \$300,000 |
| | | |
| Annual Gross Income | | \$200,000 |
| Less Vacany | | -\$20,000 |
| Actual Rental Revenue | | \$180,000 |
| Taxes, Insurance, Utilities, Maint, Mgmt, Reserves, Debt Service | \$125,275 | |
| Total Annual Operating Expenses | | \$125,275 |
| <i>Positive Cashflow</i> | | <i>\$54,725</i> |
| <i>Reasonable Return on Equity Investment</i> | | <i>18.24%</i> |

The potential purchaser is proposing to build 31,000 sq.ft. of self-storage buildings totaling 166 units on the subject's land. Based on the rendering by RMS, it is assumed that 166 self-storage units would be possible on the lot. Vacancy is deducted from gross income to arrive at actual revenue. Then typical expenses are deducted from revenue to determine cashflow. After all expenses are deducted, the cashflow is \$54,725 per year which results in an acceptable return on investment of 18.24%.

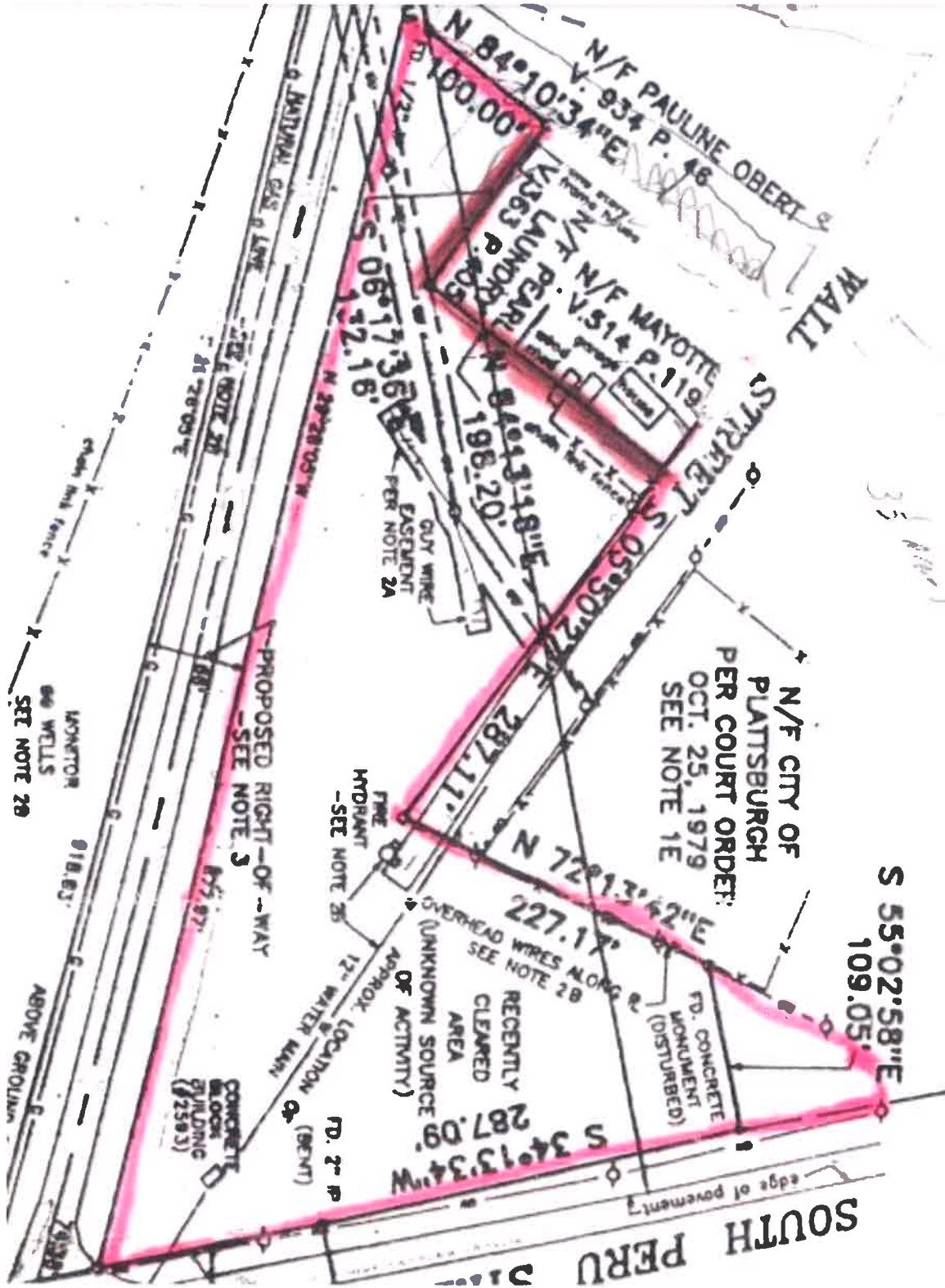
Tax Map



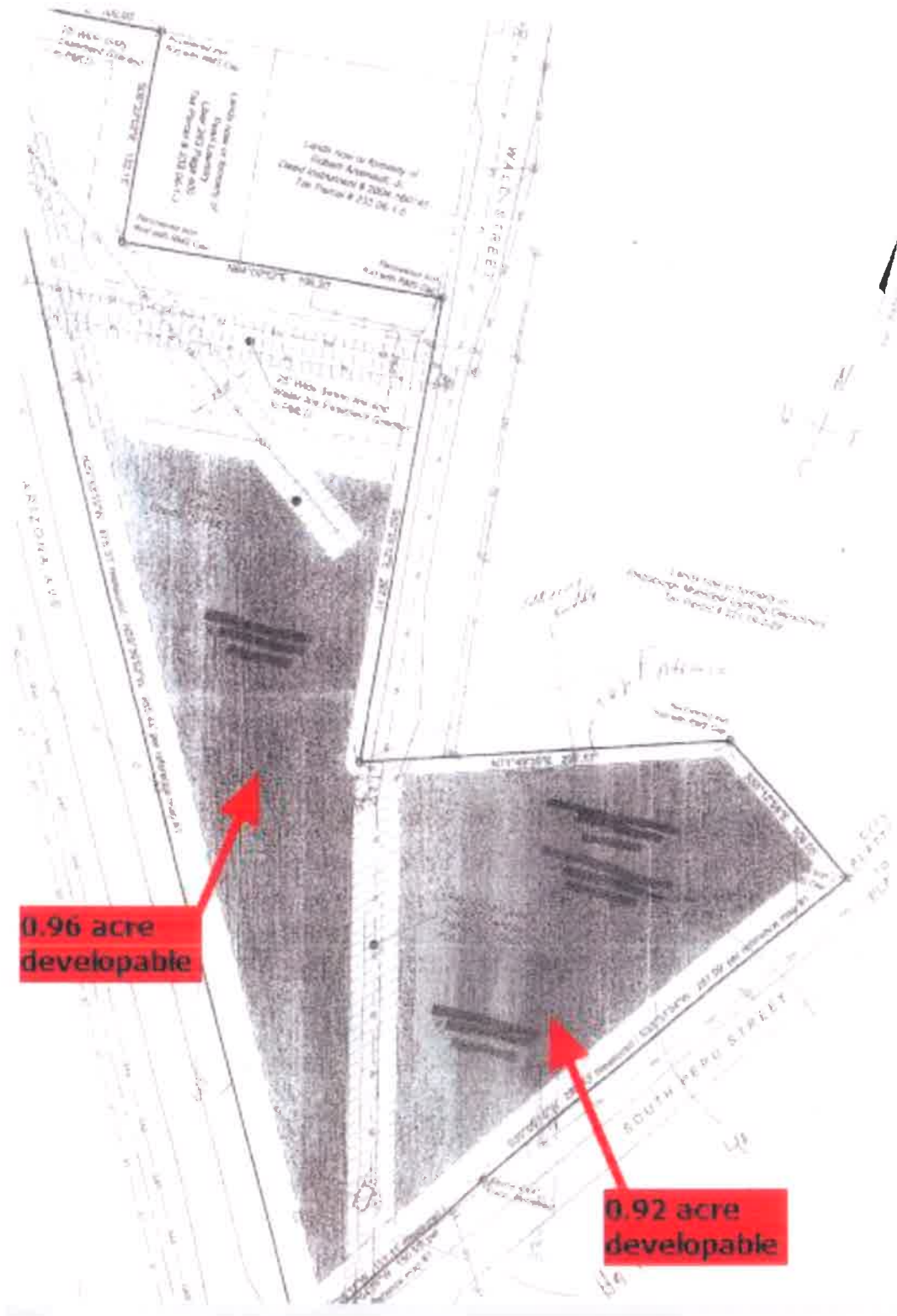
Clinton County GIS Map



Survey



Developable Area



If you have any questions, please contact me at your earliest convenience.

Respectfully submitted,

Rosenbaum Appraisal & Consulting

Derek Rosenbaum

Derek J. Rosenbaum
NYS Certified General Appraiser
#46000049582