



December 18, 2014

Hon. Robert J. Greenstein, Supervisor and
Members of the Town of New Castle Town Board
Town Hall
200 South Greeley Avenue
Chappaqua, NY 10514

Dear Supervisor Greenstein:

As you know, on December 22, 2004 SG Chappaqua B, LLC (“S-G”) purchased the former Reader’s Digest corporate campus located at 480 Bedford Road, New Castle, New York, now known as Chappaqua Crossing. Now, almost ten years to the day and after having spent millions of dollars on studies and appearing at over 100 meetings with Town officials, neighbors, and stakeholders in front of four Town Boards, this Town Board is now ready to vote upon legislation that would allow the development of retail uses at Chappaqua Crossing. The legislation now under consideration by the Town would enable S-G to move ahead with its lease agreement with Whole Foods Market (which is conditional upon the Planning Board’s unappealable site plan and subdivision approval by June 30, 2015), and bring Whole Foods to Chappaqua Crossing. We are pleased that the goal of bringing a full-service grocer to Chappaqua initiated by the Town Board over two years ago finally appears within reach, and the largest commercial property and the largest single taxpaying property in New Castle is poised to be returned to productive use for the Town’s residents, workers, merchants, and visitors.

As responsible corporate citizens and members of this community, we have weathered the bankruptcy of Reader’s Digest and, despite many obstacles, fought hard to maintain the beauty and integrity of the site, while remaining committed to finding an economically feasible adaptive reuse of our property. We realize that, while the tremendous benefits of Chappaqua Crossing far outweigh any perceived negative impacts to the Town, completion of Chappaqua Crossing cannot be undertaken without change. To ameliorate any perceived impacts associated with these changes, S-G is committed to expend considerable amounts of money, effort, and property to improve traffic flow, enhance aesthetics, create effective buffers for residences closest to the project site, provide recreational opportunities, improve Town infrastructure, and provide synergistic benefits to the downtown business community. Specifically, as part of our commitment to this community, S-G plans, effective beginning 35 days following the later of the filing of final site plan and subdivision approvals for S-G’s PDCP from the Town’s Planning Board allowing building permits to issue and construction

to commence, and the running of applicable appeals and statute of limitations periods, to provide the following to the Town. Some of these actions expand upon the mitigation measures identified in the 2011 and 2013 Findings Statements, while others represent new financial and other responsibilities we are willing voluntarily to assume.

1. Offsite Roadway and Traffic Improvements

- a. Route 117 / Roaring Brook Road Intersection – Dedicate the necessary property owned by S-G, relocate utilities, upgrade traffic signals, install crosswalk, and install northbound and southbound turning lanes at intersection of Route 117 and Roaring Brook Road (RBR) (cost estimated at approximately **\$2,000,000**).
- b. Roaring Brook Road / Horace Greeley High School / Chappaqua Crossing South Drive - Dedicate the necessary property owned by S-G, relocate utilities, install traffic signals, install crosswalk, and install eastbound and westbound turning lanes at intersection of Roaring Brook Road, the Horace Greeley High School (HGHS) entrance drive and the Chappaqua Crossing south entry (cost estimated at approximately **\$1,000,000**.)
- c. Horace Greeley High School Entrance Drive – At no cost to the Town or the Chappaqua Central School District, up to our maximum investment of \$600,000, work with the Town and School District to secure all necessary NYSDOT permits and, if approved by the District, undertake improvements to the High School entrance drive, consistent with the 2013 plan prepared by Frederick P. Clark Associates (up to a maximum cost of **\$600,000**).
- d. Roaring Brook Road / Chappaqua Crossing West Drive – Provide pavement markings, road improvements and signage, and add entry feature(s), including but not limited to a marque gateway sign and landscaping, at Chappaqua Crossing west entry to encourage drivers to utilize the west entry rather than Roaring Brook Road (cost estimated at approximately **\$25,000**).
- e. Traffic study – Pay for traffic study to consider possible road modifications to improve ingress and egress to Annandale Road, up to a maximum amount of **\$15,000**.

2. Open Space & Buffer Improvements

- a. Roaring Brook Road median – Improve the appearance of the Roaring Brook Road median with landscaping and/or other improvements to the satisfaction of the Planning Board as part of the Retail Overlay site plan approval process, up to a maximum amount of \$20,000.
- b. Roaring Brook Road houses / parcels
 - i. Demolish the three existing houses owned by S-G at 15, 21 and 57 Roaring Brook Road, regrade and seed property (cost estimated at **\$100,000**).
 - ii. At the Town’s option, place conservation easements upon the four parcels of land owned by S-G, less any land utilized for on- or off-site traffic improvements (the “Buffer Properties”), or convey title to the Town or land conservancy (the parcels have a combined value of approximately **\$3,200,000**).
 - iii. Perform landscaping and planting upon the Buffer Properties in a manner satisfactory to the Planning Board as part of the Retail Overlay site plan approval process
- c. Trail development – Establish on-site walking trails for for use by Chappaqua Crossing residents, tenants, visitors and the general public in a manner satisfactory to the Planning Board as part of the Retail Overlay and/or MFPD site plan processes for those respective areas of the site.
- d. Trail maintenance – Participate in the maintenance of on-site walking trails for public use.
- e. Future trail connection – At no cost to the Town, provide any easement(s) that the parties agree linking on-site trails and the overall development to any new off-site trails established near the project site. Any additional costs associated with such improvements could be funded directly by the Town through S-G’s \$1,500,000 payment, as set forth below in No. 5(e), or by any other manner at the Town’s discretion.

3. Retail Operations

- a. Grocery store loading – Enclose the grocery store loading area to provide further screening for neighbors (cost estimated at **\$200,000**).
- b. Delivery hours - deliveries to retail users at Chappaqua Crossing will be restricted to certain hours.

4. Office Operations

- a. Reduction in space – Reduce the amount of existing office space available for lease by an additional 42,000 sf beyond that proposed in the S-G Petition for a total reduction of 162,000 square feet of office space and with a limit of no more than 500,000 square feet of office space at the property to be available for lease or use at any time (loss of estimated lease income capitalized at approximately **\$6,000,000**).

5. Public Infrastructure and Fees

- a. Wallace Auditorium – retain the Wallace Auditorium for future donation to the Town or its designee for public use (value estimated at **\$2,000,000**).
- b. Sanitary sewer – for potential future public connection, extend the onsite sanitary sewer system to the Roaring Brook Road right-of-way at the Chappaqua Crossing south entry (additional cost estimated at **\$200,000**).
- c. Jitney - Provide free jitney shuttle service between Chappaqua Crossing, the Chappaqua hamlet, and the Chappaqua Metro-North railroad station, with scheduled service during business hours. Jitney service would begin following the issuance of certificates of occupancy for 50,000 sf of retail space and continue so long as warranted by ridership and for not less than 2 years after residential construction in the East Village is completed (annual cost estimated at **\$100,000**).
- d. Kiosk - Install and maintain an information kiosk at Chappaqua Crossing for the purpose of promoting Chappaqua hamlet businesses and activities (cost estimated at **\$25,000**)

- e. Other Improvements - Provide the Town with **\$1,500,000**, to be utilized by the Town, in its sole discretion, to create and/or improve recreational trails, facilities and/or other recreational opportunities; to study and/or implement improvements to the Town's existing business hamlets; and/or to undertake such other initiatives to reduce impacts associated with the Chappaqua Crossing development as the Town deems advisable.
- f. Recreation fee – Pay a **\$100,000** recreation fee in accord with the terms of a prior agreement between S-G and the Town.
- g. Outstanding review fees – Reimburse the Town for the consulting and attorneys' fees incurred in 2014/2015 to review the revised Retail and Residential PDCPs, proposed Retail Local Law and land use approvals relating to the Chappaqua Crossing retail project, up to a maximum amount of **\$100,000**.
- h. Future review fees – Reimburse the Town for the consulting and attorneys' fees that will be incurred in connection with the Planning Board's review of S-G's site plan application, up to a maximum amount of **\$100,000**.

All told, we estimate that S-G will provide in excess of \$17 million in additional benefits to New Castle residents by implementing the foregoing measures. Of course, these benefits do not include the considerable additional tax revenue that will be generated from the operation of Chappaqua Crossing.

We hope that a favorable vote by the Town Board on our rezoning application and proposed Retail PDCP will provide a foundation for us to explore ways in which we can work together to provide additional opportunities for the Town. In particular, we remain interested in facilitating a discussion with the Town and community at large to study the possibility of relocating your municipal offices and police station to the iconic cupola building at Chappaqua Crossing. We also would welcome a discussion with Town leaders, residents and retail merchants on measures that may improve your existing business districts and help revitalize downtown Chappaqua.

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As we hopefully turn this important corner, we look forward to working collaboratively with the Town of New Castle to finally bring this project to fruition.

Sincerely,



Felix T. Charney

On behalf of
SG Chappaqua B, LLC