

## **Feasibility of Lots**

Conlon Corners Subdivision  
Conlon Road  
Town of Lansing  
Tompkins County, NY

### **Overview**

The Conlon Corners subdivision (SUB-24-24) proposes several new buildable lots along Conlon Road where it would be desirable and suitable for single-family homes to be built. It has never been our plan to have any additional phases in the future. The parent parcel was purchased with a long-term investment as the only goal. We do want to recover some of our steep initial investment in the property but the main goal with this current subdivision is to generate income to offset the cleanup costs of the residual land. The buildings on the residual land are in terrible condition and were surrounded by trash and junk which poses a safety hazard to the neighborhood. We want to get that cleaned up and have found it to be an expensive undertaking when we started looking into the labor costs, solid waste fees, asbestos inspections/abatement as well as the demolition costs.

We feel that we can help offset the cleanup costs by selling several buildable lots along Conlon Road. Further development, that exceeds our current proposal, would not be feasible once the subdivision costs increase with requirements for substantial stormwater facilities, long driveways or public/private roadways. Building costs for homes, stormwater facility excavation, driveways, paved roads, and other development related components have increased considerably over the past few years. Lot value has also increased but not to the same extent as the other components. This area has no public water, no public sewer even though it is very close to the Town center.

### **Development Factors Affecting Cost of Frontage Lots**

Drawing lines on a piece of paper is only the first step in a subdivision like this and the costs of getting those lines approved can be very costly if certain requirements are imposed. One major threshold in our case is the Town's 2-acre disturbance limit before a full SWPPP with permanent stormwater practices and a DEC SPDES permit are required.

Permanent stormwater practices would be tailored to the individual project but can be expensive to design and build. Without running through design engineering, we do not know how extensive these practices would be in our 3 or 4-lot project but we would estimate that their cost would likely be in the 25,000-\$30,000 range based on other projects we've done. Due to the topography along Conlon Road being a consistent elevation, getting stormwater to flow very far in the north/south direction would not work well. As a result, creating lots that are not close together or stretch too far apart in the north/south direction would create a need for numerous different stormwater facilities, amplifying the stormwater facility costs. We'll discuss market value later, however if we combine our estimated standard costs for this project of around \$8,000, with the stormwater facility costs, our own land cost, and real estate commissions, we will be very close to our financial break-even point, and this won't help us recover our cleanup costs for the rest of the property.

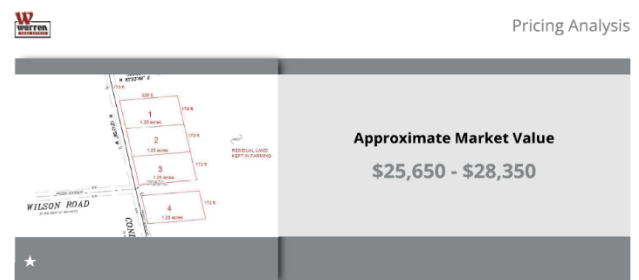
This 2-acre threshold is a key consideration when looking at the feasibility of this project. We initially set up the project as a 4-lot subdivision (excluding our residual land) and had planned on requiring

each lot to disturb no more than 0.5 acres. After reviewing the likely disturbance of each lot to include, driveway, dwelling, septic system and a water well, while possible, it would be very inconvenient for a home builder to follow this requirement. After this realization, we decided to drop the number of lots to 3 and make each larger. This will make it much easier and more convenient for the home builders to stay below the 2-acre disturbance limit for the project.

If we were to attempt a subsequent subdivision of our residual land, our understanding is that the disturbed area in our initial subdivision would count towards hitting this 2-acre threshold. If we want to recover some of our cleanup costs and provide some needed housing space in Lansing, this means that we need to avoid triggering a full SWPPP with permanent stormwater practices, keep the project small and do not subdivide in the future. This will be the case unless something drastic occurs such as a massive land appreciation or if public water/sewer ever comes to the area.

### Market Value

This project is in an area we are not very familiar with, and we have consulted various experts to help us gather information about the feasibility of what we can do here. We have spoken with a realtor at Warren Real Estate about the potential market value of any lots we create in this area. Overall, the value is much lower compared to similar areas that do have access to public water. We also found that the value is expected to decrease as we move south of the intersection of Wilson Road. This is due to an unsightly home across the road. In our original 4-lot subdivision, the estimate of market value, per lot, was \$25,650-\$28,350. Since the unsightly home south of Wilson Rd seemed to be a factor, we also wanted to find out the market value if we shifted the lots farther to the north to reduce the effect of that parent factor. We found that the

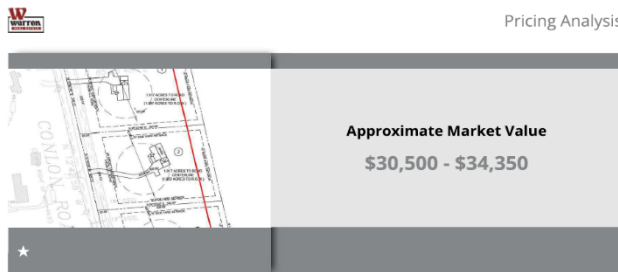


**Details**

Considering type, quality & condition of existing housing in this area of Conlon Rd along with the unsightly hoarding happening in the viewshed of these lots I would recommend listing these future building lots under \$30,000.

Price Based on Average Sales	
Average Price of Sold Comparable Properties	\$24,000
Price Based on Acreage	
Average \$/Lot Acre of Sold Comparable Properties	\$10,307.99
Acreage of Subject Property	1.25
Price Based on Acreage	\$12,885

#### Market Value Estimates for Southerly Lots



**Details**

Considering lot size, location and neighborhood character in a rural setting I would recommend listing these 3 lots for around 20% more than the 4 small lot subdivision we discussed earlier.

Price Based on Average Sales	
Average Price of Sold Comparable Properties	\$25,000
Price Based on Acreage	
Average \$/Lot Acre of Sold Comparable Properties	\$12,168.24
Acreage of Subject Property	1.75
Price Based on Acreage	\$21,294

#### Market Value Estimates for Northerly Lots

lot-value increased to the \$30,500-\$34,350 range. With this in mind and knowing that we cannot feasibly do an additional subdivision at a later time, we decided to shift the lots to the north as far as we can. This lets us offset more costs associated with cleaning up the remainder of the property.

### Development Factors for Non-Frontage Lots

It was brought up at our sketch-plan review that a preferred method of connecting new building lots with the existing highway system is to build additional feeder roads so that traffic enters the existing highway at fewer points. It would likely be necessary to build a public/private feeder

road, such as a cul-de-sac, when creating lots well inside the interior of a property. Roads are very expensive to build and maintain and would also create a much larger stormwater facility requirement by themselves. We do have limited experience with building public roadways and the last estimate we used for cost estimates was in the \$1,000/ft range. That was back in 2017, and I have no doubt that those costs are much higher now. A private road should be slightly less costly but would have the added cost of private maintenance and some form agreement with a 3<sup>rd</sup> party for that maintenance. Even so and using the \$1,000/ft estimate, this would be impossible to build without extreme losses in revenue at this project location. Lots without public sewer or water are required to be 150 ft in width according to the Health Department rules to allow enough separation between septic system and water well. If we were to build a road into the property with the goal of creating the 4 lots in our original plan (2 on each side of the new feeder road), we would need 150 ft to reach the second set of lots. Assuming we design those 2 rear lots as flag lots, we are still looking at a road cost of  $\$1,000/\text{ft} * 150 \text{ ft} = \$150,000$  to reach the front property line of the rear pair of lots. If we manage to sell each of those lots for \$35,000, we're looking at only \$140,000 in total sales price for those lots. This road cost does not include our standard subdivision costs, commissions or our raw land cost and would also trigger permanent stormwater practices for both the road as well as the impervious surface on each lot.

It's just not feasible to include a public/private roadway in a residential subdivision like this. If the market value of a lot exceeds \$75,000, it becomes an option to investigate. Considering 150 ft wide lots with a lot on each side of the road, we have a road cost of \$150,000 per 2 lots so a \$75,000 lot could start covering the costs of road building. In the case we are looking at here, we only have lots selling for \$30,500-\$34,350.

## **Conclusion**

There are limiting factors in this project area for creating residential lots. Much of that is due to the low market value of these lots. The only way we see to feasibly create lots is to avoid the requirement of a SWPPP and its permanent stormwater practices. To that end, we need to keep the number of lots small enough to guarantee less than 2 acres of total ground disturbance and we will not be able to subdivide additional lots from this parent parcel unless the stormwater laws change, or the lot values increase substantially compared to the cost of building stormwater facilities. There are also no feasible ways to get a road built into this property for a very similar reason. The day may come when additional development on this site does become feasible, but we have no knowledge of when that may happen or what may cause it to become feasible. At present, our only goals here are to get the property cleaned up and help cover some of that cost by selling these proposed lots, keep the land farmed and hold onto this investment property for our family.

Sincerely,

Jesse Young