MOUNT VERNON CITY SCHOOL DISTRICT
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June 29, 2026

Honorable Shawyn Patterson-Howard
Mount Vernon City Hall
1 Roosevelt Square
Mount Vernon, NY 10550

Dear Mayor Shawyn Patterson-Howard,

The Mount Vernon City School District (the "District") submits this statement in response to the revised Urbanomics Mount Vernon IDA School and Fiscal Study (the "revised Report"), dated May 22, 2026, which updates the March 6, 2026 draft. The District welcomes the revisions, which materially strengthen the analysis and bring it into close alignment with the concerns the District has raised. As before, the District offers these comments in a spirit of constructive collaboration. Its position remains straightforward: responsible economic development and adequate school funding are not mutually exclusive, and the District supports development structured on terms that are fair to the entire community.

I. The Revised Report's Findings

The revised Report provides the most rigorous independent analysis of PILOT impacts on the District to date, and its central findings now confirm what the District has long maintained: past PILOT agreements significantly underestimated both municipal and school district costs, producing net deficits for the City and the District alike. Among the three constructed properties analyzed, one carries a projected school district deficit of approximately $14.9 million over its 35-year term.

The District particularly notes that the revised Report now reflects municipal net deficits — not benefits — for the recently approved or pending PILOTs. As revised, the three projects are projected to produce municipal deficits of roughly $5.8 million, $2.5 million, and $1.4 million, and school district deficits of approximately $26.0 million, $8.1 million, and $6.2 million, respectively, over their 30-year terms — before accounting for the tax levy cap effects discussed in Section IV. The District is grateful that the MVIDA commissioned this analysis and that Urbanomics refined it, and it regards the revised Report as a sound foundation for a more sustainable PILOT framework.

II. The Enrollment Multiplier

The revised Report applies the same differentiated child-generation multipliers as the March draft — approximately one public-school student per 4.6 units for the recently approved affordable developments. The District continues to regard this methodology as sound. It is more granular than the single blended multiplier used in the earlier Storrs analysis (approximately one student per 6.6 units), and it aligns with the enrollment range the District's counsel projected in January 2024. The District also appreciates that the data-entry error identified in Figure 36 of the March draft — in which municipal cost figures appeared in the school district cost column — has been corrected in the revised Report.

III. The "Net New" / $0-Cost Premise

One analytical premise in the revised Report warrants continued caution. In several places the Report suggests that, because district-wide enrollment is declining, students generated by new PILOT developments may not be "net new," such that the marginal cost to the District could be treated as $0. The District cannot accept that framing as a basis for structuring PILOT agreements, for three reasons.

First, the premise treats district-wide enrollment trends and building-specific enrollment as interchangeable. They are not. A child who moves into a PILOT-subsidized unit and enrolls in District schools consumes instruction, services, and classroom capacity regardless of enrollment trends elsewhere in the District. That cost is real and is incurred at the classroom level.

Second, the District's costs are substantially fixed and do not fall in proportion to enrollment. The Report's own budget analysis sets administrative costs aside precisely because they do not vary with enrollment, and large categories such as employee benefits, contractual obligations, debt service, and facilities maintenance cannot be reduced student by student. Declining enrollment has not relieved the District's fiscal pressure: the District remains under fiscal stress, has drawn down fund balance, and has absorbed building consolidations and staff reductions in recent years. Treating new students as costless does not reflect that reality. Indeed, the Report itself applies this very reasoning to the City: it assigns each new resident a positive marginal cost of $851 even though Mount Vernon's population has been essentially flat for decades. The same logic cannot produce a real cost for every new resident and a zero cost for every new student. The District asks only that the Report's reasoning be applied consistently.

Third, the $0-cost assumption is self-defeating over a multi-decade PILOT horizon. A 30- or 35-year abatement locks in today's enrollment assumptions for a generation. If enrollment stabilizes or grows — the very outcome these developments are promoted as delivering— the District will be serving additional students under agreements structured as though those students were free to educate.

For these reasons, the District urges that PILOT cost-benefit analyses continue to apply the Report's marginal cost of $19,929 per student and treat each generated student as a real cost, as the Report's primary tables do. A cost-benefit analysis that assigns $0 to the school district's largest cost category does not eliminate that cost; it merely overstates the net benefit of the project under review.

IV. The Tax Levy Cap

The District is encouraged that the revised Report now addresses the New York State 2% tax levy cap — a structural issue the District has consistently raised and that the March draft did not discuss. The District agrees with the Report that PILOT payments to the District count within the levy and therefore displace, rather than add to, the District's taxing capacity, and that the cap's effects fall most heavily on high-need urban districts such as Mount Vernon. The District notes that the Report relies on the same peer-reviewed study (Nguyen-Hoang & Zhang, 2022) the District has cited.

The practical consequence deserves emphasis. Because a PILOT payment counts toward the District's capped levy, even an agreement that appears to "cover" school costs on paper can suppress the District's revenue capacity over the life of the PILOT and, as the Report explains, beyond it — because the escalation method leaves the property assessed below full value when the agreement expires, a level the cap then prevents the District from recovering. This dynamic operates the same way regardless of the particular project.

V. Recommendations

The revised Report's recommendations track closely with the reforms the District has urged, and the District endorses them. Specifically, the District supports:

- Replacing the current escalation method with a percentage-of-full-value schedule that brings PILOT properties to full taxable assessment upon expiration, so that abated value is restored to the tax rolls;
- Commissioning a School Capacity Analysis to determine the District's capital needs under current and projected enrollment;
- Commissioning a Tax Cap Impacts Analysis quantifying the full effect on both the City and the District, including the cumulative effect of all active and pending PILOT agreements on the District's levy capacity; and
- Establishing a school district mitigation fee, modeled on the Village of Port Chester and informed by the Report's mitigation tool, that sits outside the tax cap formula.

The District adds one standard of its own. Every PILOT agreement should be structured to cover the projected school district costs it generates. Where that is not achievable, the MVIDA should decline to abate the school district's share of real property taxes. The mitigation fee the Report recommends is a constructive mechanism for meeting this standard.

Finally, in the spirit of the analytical care the revised Report reflects, the District flags one figure that appears to warrant reconciliation. The 30-year school district net value for 1 & 25 North MacQuesten Parkway (Figure 39) appears to credit the developer's $2 million upfront payment to the District without a corresponding offset, yielding a printed deficit of approximately $8.1 million where the underlying figures indicate approximately $10.1 million. The District was happy to receive the upfront payment and raises this only because it bears on the shared conclusion — and, if anything, it reinforces that the agreement does not cover District costs.

Conclusion

The Mount Vernon City School District supports the City's growth and recognizes the role that new and affordable housing plays in the lives of District families, including the students in our classrooms. The District does not oppose development. The revised Urbanomics Report has narrowed the distance between the District and the MVIDA considerably: it now confirms municipal and school district deficits, incorporates the tax levy cap, corrects the figures the District identified, and recommends reforms the District has long sought. The principal remaining question is whether students generated by new development should be treated as a real cost — and the District respectfully urges that they should.

The District stands ready to work with the MVIDA to build a PILOT framework that is fair to developers, fair to the City, and fair to the children of Mount Vernon, and welcomes the opportunity to do so.

Sincerely,

/s/ *Donna Marable*

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