



## Town of New Paltz, New York

Susan Zimet, Town Supervisor

PO Box 550 • 1 Veterans Drive • New Paltz, NY 12561  
Phone: 845/255 0604 • TTY: 800/622 1220 • Fax: 845/255 4084  
[www.townofnewpaltz.org](http://www.townofnewpaltz.org)

The Town's lawsuit challenging the Category 5 PILOT policy adopted by the Ulster County IDA has been dismissed by the court. The good news is that it was dismissed because the judge found that his decision upholding the Planning Board's denial of the Park Point project made it unnecessary for him to decide our lawsuit. The not so good news is that by doing so, the court avoided the bigger issue: our challenge to the Category 5 PILOT program itself.

That is particularly unfortunate because the court agreed with our Planning Board that the Category 5 PILOT which the IDA gave Wilmorite would significantly impact the Town of New Paltz.

We brought this lawsuit to address the bigger issues with the Category 5 PILOT program.

Those issues start with the way that it was adopted, without any meaningful effort by the IDA to reach out and involve the Town of New Paltz, the municipality that would be clearly affected by a Category 5 dormitory project PILOT, in any aspect of this PILOT program.

Even though the Park Point project had been under review by the Town Planning Board for more than a year at the point the IDA says it began formulating its Category 5 PILOT policy, the IDA never provided a meaningful opportunity for the Town to understand the logic of creating this PILOT. Category 5 not only provided extraordinary relief for the developer, but marked a complete departure from the job creation rationale of the IDA's existing PILOT incentives.

As the court has recognized, the extraordinary property tax relief that a Category 5 PILOT provides the developer of student housing simply shifts the costs of such projects onto the backs of every other taxpayer in the Town and the Village of New Paltz.

The Town Board has told the IDA throughout this process that any incentive that burdens the taxpayers without a clear public benefit to our community and our taxpayers is simply unacceptable, and even more so when there is no reason to believe that without the incentive, a developer would not seek to build market rate student housing next to SUNY New Paltz.

Unfortunately, the court avoided deciding whether an IDA has any authority at all to create an incentive for housing development. The Legislature gave industrial development agencies the powers necessary to live up to their name, by creating incentives for "industrial,

manufacturing, warehousing, commercial, research and recreation facilities' - nowhere did the Legislature mention housing. Large-scale housing development has a much more significant impact on community resources and services than the facilities specifically authorized by state law. That makes the use of a PILOT for housing problematic, because in the absence of adequate mitigation, towns must rely on property taxes to provide the increased community services that new housing requires. That challenge is only made worse by the tax cap legislation.


We brought this lawsuit to defend the Town and its taxpayers against the impact of the Category 5 PILOT policy, not just the Park Point PILOT. The IDA policy is not only a blunt instrument that fails to ensure the Town will be made whole for the increased costs of projects like Park Point, but it has no standards to limit its use. As one member of the IDA said last April, anyone who proposes to develop housing "designed for occupancy by students attending institutions of higher education" can apply for a Category 5 PILOT. The developer reaps the generous property tax relief that Category 5 offers, and the taxpayers shoulder the costs for twenty-five years. Upholding the Planning Board's denial of the Park Point project does not prevent the next developer from seeking those benefits.

Until an appellate court rules otherwise, we are left to our own resources. On April 23rd, the Town Board will consider adopting a moratorium on the review or approval of dormitory projects until we have the opportunity to develop zoning measures that can protect the Town and its taxpayers from the impacts of the Category 5 program. As we proceed with that work, the Town will encourage representatives of SUNY, the IDA and the development community to join us and work collaboratively to address the College's need for student housing in a manner that avoids those adverse impacts.

We have worked cooperatively with SUNY New Paltz to address issues of common concern, such as the New Paltz Tavern Owners Agreement, which I helped to create as a collaborative effort among the College and the campus community, local tavern owners and Town officials to encourage students to consume alcohol responsibly and lawfully and behave in a civil, appropriate manner. We are confident the Town can do so on this issue as well, and if we are shown that incentives for student housing projects are truly necessary, we will work to identify and incorporate appropriate mitigation for the impacts.

Our goal is to ensure that the Town is able to continue providing the services that have made New Paltz the attractive community that it is, with good schools, a responsive Town police that has the resources it needs to keep our community safe and protect our residents, and fire protection and emergency medical services that have the resources to protect life and property.

That goal will never be moot.

  
Superintendent, Town of New Paltz