

Special Town Board Meeting
November 19, 2014
5:30 p.m.

Present: Supervisor Susan Zimet, Councilman Dan Torres, Councilman Jeff Logan, Councilman Kevin Barry. **Absent:** Councilwoman Jean Gallucci.

At 5:35 p.m. a motion was made by Councilman Torres to open the meeting with the pledge. Seconded by Councilman Logan, all aye votes cast, motion carried.

Agenda: +Update on Town Hall move, +Personnel

A motion was made by Councilman Torres to adopt the agenda as amended. Seconded by Councilman Logan, all aye votes cast, motion carried.

Presentation on UCIDA Report by Ulster County Comptroller Elliot Auerbach:

Comptroller Auerbach explained that what prompted this report was a report he put out in December 2013 about Wholly Exempt Properties. The report lists every wholly exempt property, Town by Town. It also includes a list of IDA recipients spread out throughout the County. The Town of New Paltz had 148 of those exempt properties, which totaled \$547 million in assessed value. These properties received tax exemptions totaling \$16 million. In 2013 there were 25 IDA projects representing \$90 million in assessed value and were forgiven an aggregate total of \$3 million in school, town and county taxes. Of those 25 projects, 4 were in New Paltz, representing \$40 million in assessed value, and \$1.2 million was forgiven in school, town and county taxes. The report shows the impacts faced by the entire county, and someone has to make up that difference. Comptroller Auerbach indicated that New York State Comptroller Tom DiNapoli has committed his next four years to really look at a lot of these Economic Development incentives and see where they are and how they line up.

Deputy Comptroller Joe Eriole explained that in preparing these reports, they do not go into them with any bias, but rather with the idea of trying to determine where they can extract facts that will illuminate public discussion; which essentially is the Comptroller's job. The questions posed for the study were: Do the benefits conferred by IDAs create jobs and expand the property base, or do they give away unnecessary tax breaks to businesses, which would locate within their jurisdiction anyway? Assuming an IDA's incentives do play a key role in the decision of business owners and developers as to where to locate their projects, is the return to the community worth the tax breaks being given?

The purpose of the report was to present the conclusions of recent scholarship and experience on both sides of the IDA debate; and to offer best practices based upon the consideration of the body of knowledge available, with particular emphasis on the operation of the UCIDA.

The UCIDA has 37 existing and 3 pending projects as of the conclusion of the research on the report. Each project was either financed by IDA bonds, supported by tax abatements, or both. As of 2013, businesses supported by the UCIDA has created or retained 3,902 jobs, or 97% of the number promised on their applications for assistance. Those businesses benefited from +/- \$4.4 million in property tax exemptions in 2013, but made +/- \$1.4 million in payments in lieu of taxes ("PILOT" payments) for net exemptions of +/- \$3 million. Those businesses also created nearly 4,000 jobs. The debate is over whether, and to what extent those businesses would have located or expanded, and those jobs created, with or without the IDA inducement.

In summarizing the IDA debate, almost all businesses receiving IDA support create or retain jobs, but researchers disagree about whether the IDAs support is necessary or whether the jobs would be created anyway. Two New York-specific studies were conducted in the 1990's. The results differ and show that between one third and three quarters of IDA tax breaks are instrumental in creating or retaining jobs. Although many economists agree that tax *levels* overall affect business decisions about whether to locate or expand in a jurisdiction, studies give conflicting answers about the tax *abatements*. Studies have shown that both tax levels and tax abatement are more likely to influence a business' choice between neighboring municipalities, than between two states, which may offer vastly different workforce factors and market opportunities.

Although Experts disagree about the effectiveness of IDAs, there is surprising agreement about how existing IDAs ought to be administered. The best practices identified in the report are derived from the Government Finance Officers' Association (GFOA), the New York State Economic Development

Council (NYSEDC), which represents IDAs, the Office of State Comptroller (OSC), the New York Authorities Budget Office (ABO), and several economists and urban planners. Identification of a “best practice” means that there has been a general consensus in scholarship and/or the field that such practices ought to be adhered to; it is not a ‘one-size-fits-all” issue; it is for lawmakers and the public to review the supporting research, assess the particular needs of the community, and engage in informed disclosure in order to determine which practices serve their jurisdiction’s needs best.

A few of the Comptroller’s recommendations include, except where compelling, verifiable reasons in the record are worthy of exception, support only projects which likely will not proceed but for IDA assistance. For all retail and services projects, require evidence that the project will not draw customers away from existing Ulster County businesses. When IDA assistance will alter only the scope, but not the viability of a project, calculate the costs and benefits attributable only to those aspects of the project that would not proceed but for IDA assistance.

Councilman Barry questioned why anyone should be free of the responsibility of supporting schools and paying taxes. He indicated that he is very disappointed in the current IDA ignoring the will of the public and putting an even bigger burden on us.

Resolution Opposing the Pilgrim Pipeline:

Supervisor Zimet read aloud the following Resolution:

Whereas, Pilgrim Pipeline Company is proposing to build a bi-directional pipeline through the Town of New Paltz that would transport crude oil and refined petroleum products between Albany, New York and Linden, New Jersey; and

Whereas, the pipeline will carry oil from the Bakken Shale region of North Dakota extracted through a process of hydraulic fracturing, or “fracking”, which has been found to contaminate clean water resources, create toxic air emissions and radioactive waste and release large quantities of methane gas into the atmosphere; and

Whereas, data collected by the Capline Pipeline in Louisiana, which tested crude from 86 locations worldwide, indicates that crude from the Bakken Shale has far higher vapor pressure than crude from dozens of other locations, making it much more likely to throw off combustible gases; and

Whereas, the U.S. Department of Transportation’s Pipeline and Hazardous Safety Materials Administration (PHMSA) issued a safety alert on January 2, 2014, to the general public, emergency first responders, and shippers and carriers regarding the particular flammability of Bakken Crude oil; and

Whereas, the Pipeline will carry a large amount of Bakken crude oil through residential areas in the Town of New Paltz, which in the opinion of the Town Board will place residents in harm’s way should an explosion or spill occur; and

Whereas, according to PHMSA, pipeline operators reported 1,880 crude oil spills nationwide between 2003 and 2013, or nearly one spill every other day, resulting in 44,265,438 gallons of oil being spilled; and

Whereas, 80 percent of these spills were the result of corrosion, equipment failure, incorrect operation or material and weld failures; and

Whereas, according to Public Employees for Environmental Responsibility, PHMSA only has 135 inspectors to oversee 2.6 million miles of pipeline, and only a fifth of that pipeline system has been inspected by PHMSA or its state partners since 2006; and

Whereas, any rupture or compromise of the pipeline, even without an explosion or fire, could, in the opinion of the Town Board, require extraordinary cleanup efforts, force residents from their homes, and place a large number of residents in close proximity to hazardous materials; and

Whereas, most New Paltz residents depend on ground water and public community water systems for potable water supplies, the integrity and safety of which may, in the opinion of the Town Board, be jeopardized by the Pipeline; and

Whereas, the Pilgrim Pipeline is proposed to be laid in areas containing aquifers particularly sensitive to contamination, including karst aquifer, unconfined sand aquifer, and alluvial aquifer upon which residents depend for drinking water; and

Whereas, the Town of New Paltz has a ban on hydro fracking; and

Whereas, in the opinion of the Town Board, there appears to be no direct benefits to the community. We find that the proposed Pilgrim Pipeline potentially threatens the health, safety, and welfare of the community; could decrease the values of homes located along its route and in surrounding neighborhoods; and could negatively impact future development in the Town; and

Whereas, the Mid-Hudson Regional Sustainability Plan calls for becoming less energy and fossil fuel intensive while strengthening the regional economy, expanding renewal energy generation exponentially across the Region, and improving the resilience of the energy delivery system; and

Whereas, construction of the Pilgrim Pipeline to support and expand markets for fossil fuels is directly contrary to these clean energy goals; and

Now Therefore Be It Resolved that the Town Board of the Town of New Paltz:

1. The Town of New Paltz has a ban on fracking
2. Calls upon the New York State Thruway Authority to reject use of its right-of-way for the purpose of transporting oil or gas by pipeline; and further calls upon the New York State Department of Transportation (DOT) to deny an exception to its Accommodation Plan for said purpose; and
3. Urges Governor Cuomo and State Legislature to oppose construction of the Pilgrim Pipeline in New York State; and
4. Directs the Town Clerk to forward copies of this resolution to NYS Thruway Chair Howard P. Milstein, NYS DOT Commissioner Joan McDonald, U.S. PHMSA Administrator Cynthia L. Quarterman, U.S. Senators Charles Schumer and Kirsten Gillibrand and U.S. Representative Chris Gibson, Governor Andrew Cuomo, N.Y. Assembly Member Kevin Cahill, N.Y. Senator John Bonacic, and NYS DEC Commissioner Joseph Martens.

Councilman Barry offered the following amendment, "Whereas, in the opinion of the Town Board, there appears to be no direct benefits to the community..."

A motion was made by Councilman Torres to adopt the Resolution opposing the Pilgrim Pipeline with Councilman Barry's amendment. Seconded by Councilman Logan, all aye votes cast, motion carried.

Councilman Torres suggested writing a letter to all the residents along the route.

Update on Town Hall move:

Town Offices will continue to be closed to the public next week in order to unpack.

2015 Budget Adoption:

A motion was made by Councilman Logan to adopt the 2015 Town Budget. Seconded by Councilman Torres, all aye votes cast, motion carried.

At 8:21 p.m. a motion was made by Councilman Barry to go into Executive Session for the purposes of discussing personnel issues relative to the Budget. Seconded by Councilman Logan, all aye votes cast, motion carried.

At 8:45 p.m. a motion was made by Councilman Torres to come out of Executive Session with no action taken. Seconded by Councilman Logan, all aye votes cast, motion carried.

At 8:46 p.m. a motion was made by Councilman Logan to adjourn the meeting. Seconded by Councilman Torres, all aye votes cast, motion carried.

Respectfully Submitted,

Rosanna Mazzaccari
Town Clerk