

**Special Town Board Meeting  
December 13, 2012  
7:00 p.m.**

**Present:** Supervisor Susan Zimet, Councilwoman Kitty Brown, Councilman Jeff Logan.

**Absent:** Councilwoman Jean Gallucci, Councilman Kevin Barry.

At 7:07 a motion was made by Councilwoman Brown to open the meeting with the pledge. Seconded by Councilman Logan, all aye votes cast, motion carried.

**Agenda:**

Supervisor Zimet announced that the purpose of this meeting is to discuss the Park Point Project only. A motion was made by Councilwoman Brown to accept the agenda. Seconded by Councilman Logan, all aye votes cast, motion carried.

Supervisor Zimet suggested that if anyone wants to send written comments to the Planning Board, they should carbon the Town Board and they will take them into consideration.

Councilman Logan stated that neither the Town Board nor Planning Board has control over the PILOT (Payment In Lieu Of Taxes). It is controlled by the Ulster County Industrial Development Agency. All comments and letters should also be sent to the UCIDA. Legislator Ken Wishnick is here. However, the Legislature also does not control the PILOT program, but he can be a voice for New Paltz. We would like to hear the community's input so the Town can make recommendations to the IDA.

The Town Board is an interested party in the possible application to the Ulster County IDA for a PILOT.

**Public Input:**

Leonard Loza stated that when this project is built, it will have an economic worth of \$50 million. If fully taxed, the Town taxes would be \$377,000, Village \$287,000, School \$906,000, County \$208,000, Fire \$11,000. This will affect every town in the county. Serious thought should be given to the relief they are asking for. In many cases, tax values exceed mortgage values. Doesn't believe that communities in this area should subsidize what he's doing right now, renting to college students.

Michael Francese indicated he lives in the Town of New Paltz, Highland School and postal district. His taxes since 2005 have gone up from \$2,800 to \$8,000. It's not right to let a for-profit get a PILOT. Feels as though residents are 2<sup>nd</sup> or 3<sup>rd</sup> class citizens. He cannot afford to pay his taxes and will have to move. Homeowners should get some say in this, what is the incentive to live here?

Everett Payne believes that if you are a developer, you shouldn't use our tax dollars to pay your bills.

Ken Wishnick gave an overview of why PILOT programs were created and what their purpose is. Originally it was an attempt to promote a project that might not otherwise occur if you didn't give that particular incentive that would make the economics work for that particular endeavor. In other words, if the taxes were too high, making the project not viable, adjustments were made to allow the project to happen. The way the program works now is very different and dangerous and harmful to our communities. Would a project of this type really move forward if they were not getting a break on their taxes? It's not fair for anyone else to be subsidizing them. This land is owned by a non-profit, which claim they are exempt from paying taxes. The system is broken. If you take a non-profit entity and put a for-profit operation of that magnitude on it, it should be taxed. We have to examine the laws and do what's right for the community. The Legislature has no authority.

Benjamin Miller believes that the Economic and Fiscal Impact Analysis prepared by Camoin Associates for Wilmorite, is a very flawed document. This report was supposed to provide the value it would be bringing to the community, and it doesn't. The report states that the vacancy rate is 0.3%, which indicates there is not enough housing. The 2010 Ulster County Housing

survey, which used a small sample size, also indicated a 0.3% vacancy rate, results are skewed. The 2010 Census reported a vacancy rate of 7.3%, larger sample base. Go with the better research, more accurate figure of 7.3%. This is not a housing crisis. There are many options for housing in New Paltz listed in the paper. People will lose homes because they depend on rental income.

Supervisor Zimet recognized the arrival of Legislator Hector Rodriguez.

Paul Brown stated that this starts with the community to decide what's best for it and communicating it to the County. Asked the Town Board to consider being the spokesperson for a reasoned approach. If a PILOT is the only legal way for them to pay their fair share, then we may support the idea. Requested that the public record and recommendations made to the UCIDA include all the comments made by the public. Can't believe that a \$7 billion corporation is asking for any preferences, unless this is the only way to legally pay their share.

Bob Gabrielli stated that the college does a lot for the community, but the community does a lot for the college as well. The landlords make a lot of money but they also pay a lot in taxes, mortgage, utilities and maintenance. A down turn in the rents will force them to have to choose between paying their taxes and mortgage and maintaining the property. They will pay to keep the property and maintenance will suffer. Properties will begin to look shabby and that will affect the overall look of the community. SEQR allows you to look at the economic and fiscal impact. What we have is a massive project that doesn't have to pay taxes. That is going to handicap the existing landlords and it's going to over saturate the housing stock. This will result in the down turn of the fair market value of rents. Rents determine the value of the property. Lower rents mean lower values, lower assessments, and lower taxes. The general purpose of the IDA bonds is to stimulate growth and building. The college is required to pay prevailing wages for this project. This is done to prevent unfair labor practices. The mechanism that we're talking about is a device that circumvents prevailing wage.

Supervisor Zimet invited George Lithco, Planning Board attorney to the table.

Councilwoman Brown indicated that she would like to ask Attorney Lithco questions. She finds this project inconsistent with the stated IDA goals that are listed on their page. She is disappointed that there is no job enabling when their number one goal is to advance job opportunities. The report doesn't say that they are creating jobs in the fields that the students are getting higher educations in. We want to bring business to the community so they can help pay taxes. Does not see any new businesses mentioned as opportunities for local economy. This is the third project of significant size that is taking commercial land off the tax rolls. The people of this community and small business owners are subsidizing at least 2 significant major corporations, which is not to the economic wellbeing of our community. Ulster County is losing revenue, when will this end? It may have been a good idea 20 years ago, but this does not work now. Believes that the for-profit part of the project does get assessed, as shown with the sale of the medical center.

George Lithco indicated that the assessment of the for-profit is an open issue that is essentially addressed by the assessor.

Councilwoman Brown indicated that the UCIDA just added a new category of eligible projects, which is dormitory housing.

Supervisor Zimet clarified the new category is for "student dormitory housing" and stated that Wilmorite has not filed an application for a PILOT with the IDA, so there is no PILOT at the moment. The rooms that will be rented to the students fall under the PILOT. The rooms rented to the faculty and staff are fully taxable.

George Lithco explained that the SUNY Foundation owns the property and has tax-exempt status, which carries out a variety of functions that are specified in its bylaws. One of those bylaws provides that they support the student functions. Wilmorite involvement is providing a specific thing to student housing. The potential for them to apply to the IDA under one of the different IDA policies; standard, deviated or student dormitory project if they meet the definitions and the IDA determines they are eligible. The assessor determines if the state law that grants exemptions applies to the property and to the uses on the property as they relate to the specific proposal.

Councilwoman Brown indicated that the college said they are not increasing the number of students, not expanding, growing or flourishing. Offering exclusive luxury student housing. Graduate programs are under enrolled. They want to increase enrollment with this project.

George Lithco explained that the common assumptions need to be identified. If the proposed impacts change, we have the right to evaluate and analyze the project before moving forward. We can have a protection built into the system. Consensus.

Supervisor Zimet indicated that the SUNY Foundation (not-for-profit) came up with the money to buy the land and contracted with Wilmorite (for-profit developer). They are legally entitled to apply for PILOT.

George Lithco stated that if they legally qualify and meet the criteria for the exemption and/or PILOT, they are entitled. If they are determined to be a taxable project, they will be on the tax rolls. The assessor determines if they meet the criteria for the not-for-profit exemption under Real Property Tax Law.

Supervisor Zimet indicated that the IDA is taking into consideration the impact on the housing market and the landlords.

Councilwoman Brown believes that if all the for-profits paid their fair share, everyone else's taxes would go down.

Supervisor Zimet and Councilwoman Brown asked George Lithco to explain what the Town has to do.

George Lithco stated that the first step is to focus at the SEQR process. That will create a document that will become the basis for the actions of all involved agencies. This will analyze the fiscal impacts and benefits of this project. The IDA can use this material to make its' determination.

Mike Calimano, Planning Board chair indicated that the developer needs access to Town records to determine the fiscal impact of services and costs. You have to ask the right questions.

Mike Moriello indicated that he is the attorney for Wimorite, the applicant, and that neither he, nor Tom George will be answering any questions tonight. They are just here to listen.

Councilwoman Brown indicated that one of the questions that the Town will be asking is if it is typical of Wilmorite to operate on a tax-exempt basis if their other projects are also tax exempt.

Councilman Logan asked how long would it take to produce a final EIS once the Planning Board has closed the Pubic Hearing.

George Lithco indicated it would take about 2-3 months. A next step is to focus on issue spotting with the info that's been presented.

There was a brief conversation regarding the number of commuting students and how traffic would change if there were less of them.

Supervisor Zimet feels that the Town Board would want to engage in negotiations with the School district that if a PILOT is granted, they accept less of a percentage and the Town gets more because of the services. The school is less impacted.

Councilman Logan stated that we cannot compare the PILOTS of Park Point New Paltz with the ones in Syracuse and Rochester area. They are very different types of areas.

Councilwoman Brown indicated that she was disappointed in the sustainable studies programs. Also, she would like to see a pub within the development to reduce the number of people walking home in the dark after drinking.

George Lithco indicated that you have to look at the cost of services vs. money received from taxes or PILOT. If the money received is greater than the cost of services, there is a benefit.

The Town Board will put together their concerns and questions in a letter to the Planning Board. Supervisor Zimet will put this letter on the agenda for the meeting on December 20<sup>th</sup>. Also, the Town Board will ask the IDA to hold the hearings at Town Hall.

At 10:01 p.m. a motion was made by Councilman Logan to adjourn the meeting. Seconded by Councilwoman Brown, all aye votes cast, motion carried.

Respectfully Submitted,

Rosanna Mazzaccari  
Town Clerk