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**BOARD OF  
EDUCATION**

**New Paltz School District Board of Education  
Position Statement Regarding Revisions to Ulster County  
Industrial Development Agency (IDA) Uniform Tax Exemption Policy (UTEP)**

Brian Cournoyer  
President

PILOT agreements are under the control of appointed citizens who cannot be overruled by elected taxing authorities, regardless of impact upon the ratepayers in their jurisdictions. Effective tax rates for individual commercial and residential properties are set by the IDA, and not by elected representatives of those being taxed. Because of this unusual arrangement, the operation of which is largely invisible to the public, and the criteria for which are not subject to democratic processes, but are set solely by IDA members, special sensitivity on the part of county IDAs to the input of elected representatives is called for, and should be codified into IDA policy.

Aimee Hemminger  
Vice President

Alison Easton  
Member

Steven Greenfield  
Member

School districts are unique among all taxing entities affected by the award of Payments In Lieu Of Taxes and other tax abatements offered to developers in that those awards due to the way the 2% Tax Levy Limit functions in relation to those payments. They can cause us to suffer a reduction in the tax levy limit, while it is clearly their intent to provide gains, albeit not at full taxation rates. As a result, any new costs over the lifespan of the PILOT must be absorbed by existing ratepayers, or absorbed by our students in the form of program cuts. This is not the intent of the IDA mission, nor is it fair. We therefore request that it become Ulster County IDA policy that no PILOT will be approved without the consent of the school district within whose boundaries the proposed development would be located.

Michael O'Donnell  
Member

Dominick Profaci  
Member

Julie Tresco  
Member

Housing developments have the greatest impact among all types of development, due to the fact that they can produce new students, but no new revenue to pay for them, forcing reductions in programming, increases in class size, a 60% supermajority vote to override the tax levy limit if the district were to attempt to accommodate student population growth without such losses, and in the worst case scenario, overcrowd existing facilities to the point where new construction would be required, but could not be undertaken without voter approval. Presumptions of zero student population growth associated with both student housing and senior housing are known to be inaccurate, as students, particularly graduate students, where housing needs are greatest, are frequently parents, and senior housing starts at the age of 55 of just one spouse or domestic partner, which today is accompanied by high rates of student-aged children. It is therefore our recommendation that no housing of any kind be eligible for PILOTs.

**SUPERINTENDENT**

Maria C. Rice

**DISTRICT CLERK**

Dusti Callo

Ulster County Comptroller Elliott Auerbach issued a report and recommendations to the Ulster County IDA in October of 2014 ([http://ulstercountyny.gov/comptroller/sites/default/files/10.7.2014%20IDA%20REPORT\\_0.pdf](http://ulstercountyny.gov/comptroller/sites/default/files/10.7.2014%20IDA%20REPORT_0.pdf)). Among its recommendations and best practices are the following:

Consider requiring school district approval for residential projects.

\*Best Practice 2: Support only projects which likely will not proceed but for IDA assistance. In order to minimize loss of tax revenue, IDAs should attempt to verify businesses' need for tax abatement.

\*Best Practice 4: Perform a cost-benefit analysis as part of all project approval decisions. The UCIDA application includes a cost-benefit analysis; in addition, UCIDA staff use informANALYTICS software to calculate the "ripple effect" of new business spending on the local economy. However, informANALYTICS does not estimate the cost of increased government services due to increased business activity. In addition, UCIDA has no method of distinguishing costs and benefits specifically attributable to IDA assistance and those which would accrue even without assistance.

\*Best Practice 6: Provide for the recapture or termination of benefits when projects fall substantially short of their goals. Recapture ("clawback") provisions have been included in UCIDA Project Benefit Agreements since early 2013.

The New Paltz Board of Education is in agreement with these recommendations and requests that you adopt them as Ulster County IDA policy.

Approved by BOE resolution: April 6, 2016