

September 30, 2013

102

A special meeting of the City of Port Jervis Common Council was held in the Council Chambers, 20 Hammond Street, Port Jervis, New York on Monday, September 30, 2013 at 7:00 p.m.

Regular Meeting

Mayor Potter and all members of the Common Council were present. City Assessor Yvonne Duryea, City Clerk-Treasurer Robin Waizenegger, and Corporation Counsel Damian Brady were also present.

Attendance

Mayor Potter led all present in the Pledge of Allegiance to the Flag.

Pledge of Allegiance

Mayor Potter stated the purpose of the special meeting was to review a proposed payment in lieu of taxes (PILOT) agreement between Ellicott Development Company and the Port Jervis Industrial Development Agency (IDA) with the respect to the development of 100 Pike Street, SBL: 12-9-1. The IDA has discussed the matter with the property owners, who have a proposal for the Council's review and consideration.

PILOT Agreement reviewed

Mr. David Gubits, IDA Attorney, stated that he was appearing on behalf of the IDA Board. He briefly explained the PILOT agreement, in which Ellicott Development would be taxed based on the current assessment of the property. The estimated cost of the project is \$12.9 million. The value of any new improvements made to the parcel would be added to the assessment as construction progresses but no additional taxes on improvements would be levied. In year 6, year 7, year 8, year 9, and year 10, there would be a 20% increase in the taxable value each year. Mr. Gubits also spoke about the 485-b exemption beginning at 50% and decreasing 5% each year over the 10-year period. This agreement will include the new Rite-Aid and any other future improvements.

Mr. Decker asked Mr. Brady if he had reviewed the proposal. He stated that he has been involved with the discussions. Mr. Decker asked for clarification of the total cost of the project, and Mr. Brady stated that the estimated investment of capital in the project is \$12.9 million. Mr. Decker asked if this agreement will impact the tax base and anticipated future revenues. Mrs. Waizenegger stated that the budget is completed annually; revenue is not forecasted beyond the year.

Mr. Gubits and Mrs. Duryea explained the increase in assessment over the length of the agreement. Mr. Siegel asked if Ellicott could challenge the assessment. Mr. Gubits noted that the owners could challenge the assessment.

Mr. Siegel asked if most of the \$12.9 million would be used for building and infrastructure. Mr. Decker and Mr. Brady noted that a breakdown was provided. Mr. Gubits added that the market value of the property is relevant to the assessment, not what is spent on the project.

Mr. Bell stated that Mr. Paladino anticipates having tenants in the building next year. Rite-Aid will be built first, and the ten (10) year period begins. Mr. Paladino is actively seeking tenants for the main building.

Mr. Decker inquired if this agreement will affect school and county taxes. Mrs. Waizenegger noted that it will have an impact but neither taxing authority has a say in the decision to accept or reject the agreement. The increase in assessed value over time, however, will increase the taxes over the length of the agreement.

Mr. Hendrick asked about the bond and easements. Mr. Brady stated that Mr. Krahulik, Planning Board attorney, currently has the easement and bond documents for review. Mr. Brady will contact Mr. Krahulik concerning the status of these issues and inform the Board.

Mr. Hendrick asked about Ellicott's request for an exemption of New York State sales tax on materials for construction and an exemption from mortgage recording tax and noted that retail projects are not eligible for IDA benefits. Mr. Gubits explained the process that the IDA must following in regards to holding a public hearing, determine their findings, and adhere to their determination and added that under certain circumstances retail development is eligible.

Mr. Gubits, the Council, Mr. Brady, and Mrs. Duryea discussed the process of establishing value for the assessment for the parcel over time.

Mayor Potter commented that the IDA did a good job working with Ellicott to move the project forward. Mr. Oney added that the jobs being created will benefit the community.

Mr. David Bavoso, a member of the public, asked for clarification of the begin date of the ten-year period and how changes in the assessment will affect taxes. Mrs. Duryea and Mr. Gubits explained the process and effects it will have.

Proposal approved Motion by Mr. Belcher, seconded by Mr. Decker, to approve the PILOT agreement for Ellicott Development Company, 100 Pike Street, SBL: 12-9-1.

The approval is subject to the IDA holding its public hearing and the execution of the written agreement.

AYE: 9 ABSENT: 0 NAY: 0 ABSTAIN: 0 CARRIED

Meeting adjourned Motion by Mr. Belcher, seconded by Mr. Hendrick, to adjourn the meeting at 7:34 p.m.

AYE: 9 ABSENT: 0 NAY: 0 ABSTAIN: 0 CARRIED

Robin Waizenegger
Deputy City Clerk-Treasurer

DRAFT