

Requesting The New York State Legislature Introduce Legislation Removing The Ulster County Industrial Development Agency From Article 18-A Of New York's General Municipal Law

Referred to: The Economic Development, Tourism, Housing, Planning and Transit Committee (Chairman Woltman and Legislators Archer, Delaune, Litts, Maio, Joseph Maloney, and Rodriguez)

Legislator Joseph Maloney offers the following:

WHEREAS, the Ulster County Legislature, by Resolution No. 34, adopted March 11, 1976, requested a special act of the New York State Legislature to create an agency known as the Ulster County Industrial Development Agency (the "IDA"), and

WHEREAS, the IDA has been established in accordance with Chapter 787 of the Laws of 1976, constituting Section 923 of the New York General Municipal Law, and

WHEREAS, per a May 2019 Report from the Office of the New York State Comptroller, in 2017 there were 109 IDAs that have approved 4,385 projects, totaling \$1.4 billion in tax exemptions and \$8 billion in outstanding debt; and

WHEREAS, pursuant to Article 18-A of the New York General Municipal Law, Title 1, Section 858 IDAs are established to promote, develop, encourage and assist business prospects in hopes to advance job opportunity and the general economic welfare of the County; and

WHEREAS, outside entities and local insiders have received benefits on the backs of hard-working tax payers not deserved, earned or described in our own State/County outlined parameters; and

WHEREAS, Ulster County has a property and school tax crisis that is forcing residents to relocate outside the County, and many of these payment in lieu of taxes ("PILOTS") granted by the IDA have added to the unfair strain on owner occupied structures; and

WHEREAS, State Senators James Skoufis and Shelley Mayer have introduced IDA reform legislation to further track, clarify parameters and protect the hard earned tax dollar by weeding out the possibility of corruption and the awarding tax abatements to unfit projects; and

WHEREAS, this reform legislation has not yet been adopted by the State; and

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WHEREAS, Ulster County has various other effective tools to bring in, help expand, maintain existing businesses, and further foster economic development which include the Ulster County Economic Development Alliance ("UCEDA") and the Revolving Loan Fund; Town assistance through 485-B exemptions; State assistance by way of Consolidated Funding applications ("CFA") grants and the Excelsior Jobs Program; Community Development Block grants, as well as other public funding aid sources; and

WHEREAS, our Ulster County IDA does not have a portfolio management process, a coordinated master plan, and rarely are studies performed to ensure that the entire County as a whole benefits from a PILOT agreement or tax abatement; and

WHEREAS, many of the jobs created by organizations receiving PILOTs are not even at a living wage as defined by the most recent living wage calculator as \$12.35 for 1 adult and \$27.82 for 1 adult with 1 child; and

WHEREAS, certain projects have been granted 15 year PILOTs, or in some cases 35 year PILOTs, which is far in excess of a reasonable PILOT term; and

WHEREAS, in the past, the IDA has not tracked some of the categories required for a project to earn PILOT status, resulting in no way to ensure that the categories have been met; and

WHEREAS, the Ulster County IDA only carries one counsel as bond and board counsel, thus creating an inherent conflict of interest; and

WHEREAS, numerous businesses and persons receiving tax benefits from the Ulster County IDA have donated large sums of money to county officials, creating a legitimate perception of a conflict of interest; and

WHEREAS, members of the Ulster County IDA, including the Chair, have been unreasonably pressured by interest in and out of County government; now, therefore be it

RESOLVED, the Ulster County Legislature hereby requests the New York State Legislature introduce legislation to remove the Ulster County Industrial Development Agency from Article 18-A of New York's General Municipal Law; and, be it further

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RESOLVED, that the administrative upkeep for existing PILOT agreements will be reported upon and maintained by the Office of the Ulster County Legislature; and, be it further

RESOLVED, that the Clerk of the Legislature shall send a certified copy of this resolution to Honorable Andrew M. Cuomo, the Governor of the State of New York and to each member of the State Senate and Assembly whose districts include all or part of Ulster County, so that they may be apprised hereof and take all necessary and appropriate action to enact this legislation,

and move its adoption.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

Postponed in Committee: Economic Development, Tourism, Housing, Planning and Transit on September 3, 2019

Defeated in Committee: Economic Development, Tourism, Housing, Planning and Transit on October 1, 2019

Petition to Discharge not executed

FINANCIAL IMPACT:

NONE