

**RESOLUTION APPROVING PILOT/TAX ABATEMENT STRUCTURE
PARK POINT NEW PALTZ, LLC PROJECT**

A regular meeting of Ulster County Industrial Development Agency (the “Agency”) was convened in public session at the Karen Binder Library, 6th Floor, 244 Fair Street, Kingston, New York on April 9, 2014 at 8:00 a.m., local time.

The meeting was called to order by the (Vice) Chairman of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

Michael Horodyski	Chairman
John Morrow	Secretary
Stephen Perfit	Treasurer/Vice Chairman
Paul Colucci	Assistant Chairman/Assistant Secretary
Robert Kinnin	Assistant Chairman/Assistant Secretary
James Malcolm	Assistant Chairman/Assistant Secretary

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Suzanne Holt	Director of Business Services
Linda Clark	Office of Business Services
A. Joseph Scott, III, Esq.	Agency Counsel

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. __

RESOLUTION TAKING ACTION TO APPROVE THE PILOT/TAX ABATEMENT STRUCTURE RELATING TO THE STUDENT HOUSING PROJECT FOR PARK POINT NEW PALTZ, LLC AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT WITH RESPECT TO SUCH PROJECT.

WHEREAS, Ulster County Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of 1969 Laws of New York, constituting Title 1 of Article 18 A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 787 of the 1976 Laws of New York, as amended, constituting Section 923 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity

and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Park Point New Paltz, LLC (the “Company”), a New York limited liability company, presented an application (the “Application”) to the Agency, which Application requested that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project to include the following: (A) (1) the acquisition of an interest in an approximate 50 acre parcel of land located at Route 32 S (42 acres at Tax Map #86.4-2-3.113 and 8 acres as a portion of Tax Map 86.4-2-3.115) and an approximate 34 acre parcel of land located at Route 32 S (a portion of Tax Map #86.4-2-3.115 and a portion of Tax Map #86.012-2-58.2) in the Town of New Paltz, Ulster County, New York (the “Land”), (2) the construction on the Land of certain improvements, including the following: (a) a student/faculty housing facility, together with a club house/community center, containing approximately 350,000 square feet of space, (b) water wells, a water storage tank containing approximately 250,000 gallons, and a water treatment plant containing approximately 1,500 square feet of space (all to be located on the 34 acre parcel), and (c) a waste water treatment plant containing approximately 3,200 square feet of space (collectively, the “Facility”) and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company and operated as an approximately 258 unit student/faculty housing project and other directly and indirectly related activities; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real property transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, the Agency has given due consideration to the Application, and to representations by the Company that (A) the granting by the Agency of the Financial Assistance with respect to the Project will be an inducement to the Company to undertake the Project in Ulster County, New York, and (B) completion of the Project will not result in the removal of a plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State of New York to another area of the State of New York or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State of New York; and

WHEREAS, the Agency desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of Ulster County, New York by undertaking the Project in Ulster County, New York; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on April 9, 2014 (the “SEQR Resolution”), the Agency (A) acknowledged receipt of a copy of a findings statement adopted by the Town of New Paltz Planning Board on April __, 2014 with respect to the Project (the “Findings Statement”) and (B) adopted the Findings Statement as the Agency’s findings statement with respect to the Project pursuant to SEQRA; and

WHEREAS, pursuant to the authorization contained in a resolution adopted by the members of the Agency on December 11, 2013 (the “Public Hearing Resolution”), the Staff of the Agency (A) caused notice of a public hearing of the Agency pursuant to Section 859-a of the Act (the “Public Hearing”) to hear all persons interested in the Project and the Financial Assistance being contemplated by the Agency with respect to the Project, to be mailed on January 17, 2014 to the chief executive officers of the county and of each city, town, village and school district in which the Project is to be located, (B) caused notice of the Public Hearing to be posted (1) on a public bulletin board at the Town of New Paltz Town Hall located at 1 Veterans Drive in the Town of New Paltz, Ulster County, New York on January 17, 2014, (2) on a public bulletin board at the Village of New Paltz Village Hall located at 25 Plattekill Avenue in the Village of New Paltz, Ulster County, New York on January 17, 2014 and (3) on the Agency’s website (<http://www.ulstercountyida.com/>) on January 16, 2014, (C) caused notice of the Public Hearing to be published on January 16, 2014 in The Daily Freeman, a newspaper of general circulation available to the residents of the Town of New Paltz, Ulster County, New York, (D) conducted the Public Hearing on January 28, 2014, at 7:00 p.m., local time at the Auditorium of the New Paltz High School, located at 130 South Putt Corners Road in Town of New Paltz, Ulster County, New York, and (E) prepared a report of the Public Hearing (the “Report”) which fairly summarized the views presented at said public hearing and distributed same to the members of the Agency; and

WHEREAS, by letter dated April 1, 2014 (the “Company Letter”, a copy of which is attached as Schedule A, the Company has requested the Agency to finalize the terms of the Financial Assistance to be granted by the Agency to the Company in connection with the undertaking of the Project and, pursuant to the Company Letter, the Company has made a proposal with respect to the terms of the Financial Assistance; and

WHEREAS, the Agency has a Uniform Tax Exemption Policy (the “Agency’s UTEP”) providing for the terms of any “financial assistance” to be granted by the Agency for projects undertaken by the Agency; and

WHEREAS, it is the intention of the Agency to grant any portion of the Financial Assistance to the Company in accordance with the terms and conditions of the Agency’s UTEP; and

WHEREAS, the Agency’s UTEP provides for a payment in lieu of tax schedule for “dormitory housing” projects under Category 5 of the Agency’s UTEP; and

WHEREAS, under the terms of Category 5 of the Agency’s UTEP, “dormitory housing” projects are subject to a payment in lieu of tax schedule described as follows: the number of units at the facility times an amount within a range of \$450 -750/unit; and

WHEREAS, the Agency’s methodology with respect to the determination of “units” under the Agency’s UTEP is to consider the number of single “beds” to be located at a facility as the number of “units” for purposes of calculating the amount of payments in lieu of taxes to be paid by the project applicant and

WHEREAS, as described in each of the following documents: the Agency Application dated February 6, 2013 (page 11), the Planning Board’s Finding Statement (page 3) and the Notice of Completion of Final Environmental Impact Statement dated October 28, 2013 (page 2), the number of beds relating to the student housing portion of the Project is equal to 696 beds; and

WHEREAS, the Agency, after consideration of the Company Letter, the Agency’s UTEP and the other materials described above, desires to move forward to approve the terms of the Financial Assistance

to be granted by the Agency to the Company in connection with undertaking the Project and to enter into an inducement agreement (the "Inducement Agreement") describing such assistance;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act;

(B) The Project constitutes a "project," as such term is defined in the Act (see additional findings in Schedule C attached);

(C) The Project site is located entirely within the boundaries of Ulster County, New York;

(D) It is estimated at the present time that the costs of the planning, development, acquisition, construction, reconstruction and installation of the Project Facility (collectively, the "Project Costs") will not exceed \$67,000,000;

(E) The completion of the Project will not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and will not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York;

(F) Although the Project does constitute a project where facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities constitute more than one third of the total project cost, the predominant purpose of the project would be to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the Town of New Paltz, New York because of a lack of reasonably accessible facilities offering such goods or services;

(G) The Financial Assistance described in Schedule B is hereby approved.

(1) The number of "units," based on the materials submitted by the Company and reviewed and prepared by the Planning Board is 696 units.

(2) The per unit payment in lieu of tax amount is equal to \$750/unit. This determination is based on the Agency's review and consideration of the following:

(a) The size and scope of the Project.

(b) The potential impacts regarding local impacts and costs.

(c) The local concerns raised at the Public Hearing.

(H) The granting of the Financial Assistance by the Agency with respect to the Project will promote and maintain the job opportunities, general prosperity and economic welfare

of the citizens of Ulster County, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act;

(I) The Agency has reviewed the Report and has fully considered all comments contained therein; and

(J) It is desirable and in the public interest for the Agency to approve the terms of the Financial Assistance.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (A) approve the Financial Assistance described in Schedule B attached; (B) enter into the Inducement Agreement; and (C) enter into a project benefit agreement (the "Project Benefits Agreement") relating to the Financial Assistance.

Section 3. In consequence of the foregoing, the Agency hereby determines to execute and deliver the Inducement Agreement, the Project Benefit Agreement and any document related thereto (collectively, the "Agency Documents"), subject to the following conditions: (A) the payment of the Agency's administrative fee (or portion thereof), if any, (B) the payment of the fees and expenses of the Agency Counsel, and (C) the following additional conditions: _____.

Section 4. The Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto.

Section 5. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 6. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Michael Horodyski	VOTING	_____
John Morrow	VOTING	_____
Stephen Perfit	VOTING	_____
Paul Colucci	VOTING	_____
Robert Kinnin	VOTING	_____
James Malcolm	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) SS.:
COUNTY OF ULSTER)

I, the undersigned (Assistant) Secretary of Ulster County Industrial Development Agency (the "Agency"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on April 9, 2014 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this ___ day of April, 2014.

(Assistant) Secretary

(SEAL)

SCHEDULE A
COMPANY LETTER

HARRIS BEACH PLC
ATTORNEYS AT LAW

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SHAWN M. GRIFFIN

DIRECT: (585) 419-8614
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SGRIFFIN@HARRISBEACH.COM

April 1, 2014

Hon. Michael Horodyski
Chairman
Ulster County Industrial Development Agency
P.O. Box 4265
Kingston, New York 12402-4265

Re: Park Point New Paltz Student Housing Project

Dear Chairman Horodyski:

Our firm represents Park Point New Paltz, LLC, the developer of the above referenced proposed student housing project. This letter supplements my prior letter to you dated February 4, 2014. We anticipate the Town Planning Board will finally adopt findings and make a decision about our Site Plan next Monday April 7th. At this time, we would ask that the Ulster County Industrial Development Agency ("IDA") board pass a final resolution and execute an Inducement Agreement at its Wednesday April 9th meeting to establish financial assistance for this project as contemplated by the IDA UTEP. We would specifically request a "Category 5" PILOT as follows: a Tax Agreement with amounts for Town and/or Village costs paid as an impact (we have proposed impact fees of \$50,000 and \$275,000 as direct payments by the Company to the Town and or Village enforceable by cross default with the remaining payments paid under the IDA PILOT which remaining payments are distributed to the affected tax jurisdictions based on their respective tax rates). To guard against future Town actions to further burden this project, we would ask that the IDA provide for a credit under the PILOT for special district charges in excess of \$16,000 (excluding any special districts formed for sewer and water related to the needs of this project). We have enhanced our proposed payments and would ask that the IDA adopt a Tax Agreement setting payments for all project improvements¹ at \$376,300 plus amounts payable on the Faculty and Staff Housing units (up to 3 buildings built in phases as directed by the Foundation) with credits for (i) any impact payments actually paid to the Town or Village of New Paltz and (ii) special district charges actually paid in excess of \$16,000 a year.

¹The Company will lease the entire site to the IDA (an approximate 50 acre parcel of land located at Route 32 S (42 acres at Tax Map #86.4-2-3.113 and 8 acres as a portion of Tax Map 86.4-2-3.115) and an approximate 34 acre parcel of land located at Route 32 S (a portion of Tax Map #86.4-2-3.115 and a portion of Tax Map #86.012-2-58.2) in the Town of New Paltz, Ulster County, New York (the "Land"). The Company will act as agent for the IDA to acquire, construct and equip the residential housing facilities and all other improvements, inclusive of clubhouse, student housing, faculty housing, water and sewer infrastructure. We are dealing with an 8 acre parcel (site of sewer improvements) that will be added to the 43 acre parcel to make one tax parcel or dedicated to the Town. We are also dealing with a 34 acre parcel of land for the water improvements where we will hold an easement or if the Town approves of subdivision we will hold fee title. This parcel may likewise be dedicated to the Town if the Town adopts the contemplated district. As such, we are assuming that the assessor will receive a RP 412-a Exemption Form for the 43 acres, 8 acres and 34 acres, inclusive of all improvements and will then place the land and all improvements on the exempt side of the rolls.

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At the request of the IDA, for the last several months, we have attempted to directly deal with the Town of New Paltz. During these interactions we have increased our proposed payment from \$100,000 plus full taxes on Faculty and Staff Housing to \$376,300 (\$388k less assumed \$10,700 on first Faculty and Staff building) plus full taxes on Faculty and Staff Housing. We have offered to pay direct impact payments to the Town and/or Village provided the amounts paid reduce amounts then due under the IDA PILOT yet the Town representatives appear to be taking steps backwards.

Summary of Tax Agreement Proposals by the Company:

- \$101,000 in FEIS (IDA UTEP at \$450/unit times 228 door/apartment/kitchen units);
- \$377,000 (\$450/unit times 696 bedroom units plus estimated \$10,700 for Faculty building one plus \$3500 estimated specials, plus \$50k first paid to town for impact);
- \$388,000 (\$450/unit times 228 door/apartment/kitchen units plus estimated \$10,700 for Faculty building one plus \$3500 estimated specials plus \$275k paid to town for impact);
- \$376,300 (\$450/unit times 228 door/apartment/kitchen units plus \$3500 estimated specials plus \$275k paid to town for impact) plus amounts payable on the Faculty and Staff Housing units with a credit for special district charges paid in excess of \$16,000/year (excluding any special districts formed for sewer and water related to the needs of this project) to guard against future Town actions to further burden this project.

Summary of costs incurred and efforts to work with the Town:

We have or will incur over \$4,650,000 in additional costs to set up sewer and water facilities in expandable form for the Town to then take at our costs such that the Town can control local growth in tax base. This has significant value to the Town and enables them to expand capacity at a nominal cost (eg. \$3,500 for additional filters adds 50% to sewer capacity). We could avoid this cost by working with the Village of New Paltz but was advised in 2009 that the Town would work cooperatively if we committed to this additional infrastructure cost. The contemplated Town cooperation has not materialized and, in the last 6 months, the Town has been anything but cooperative.

Since October 28th when the Town Planning Board adopted the FEIS we have had weekly contact with the Town and Planning Board in an effort to address their concerns and have been incurring expenses at the rate of \$100,000 a month (that is \$500,000 of additional costs while the Planning Board has failed to issue Findings as required by the DEC Regulations). To date we have reimbursed the Town approximately \$400,000 in expenses, primarily for the Town Attorneys and Town Engineers with miscellaneous related Town expense claims and have

approximately \$4mm invested in this project to date. Development in Ulster County will be significantly inhibited if other projects experience similar Town demands and expenses.

Other facts to consider:

We have two other facilities with tax agreements at a lower per unit number (see below discussion and attached agreements) and can show hundreds of examples of exempt facilities across NYS.

Park Point at SU Tax Agreement: \$160/bedroom/\$550/door/kitchen/apartment unit.²

Park Point at RIT Tax Agreement: \$432/bedroom/\$1,325/door/kitchen/apartment unit.³

Study of Existing New Paltz Community Housing Tax Payments = Average of \$1,300/door/kitchen/apartment unit (in FEIS).⁴

Park Point at New Paltz Tax Agreement at \$377k
\$557/bedroom/\$1,654/door/kitchen/apartment unit⁵ Under our proposed Tax Agreement at \$377k, we will be the largest tax payer in New Paltz.

Our Camoin report estimated \$50k in Town impacts (see attached – despite School letters indicating no costs, Town Police letter indicated no new cost or new manpower), the Town CGR Report estimated \$275k (see attached) and Camoin refuted the CGR Report via the attached critique. Attached is a letter from the Monroe County Sheriff who is the primary policing force for the RIT Park Point Facility. The Monroe County Sheriff's office advises that they DID NOT experience a need for expanded personnel or equipment as a result of our actual operations of a 920 bedroom facility at RIT with 4 restaurant/bars with liquor licenses. We have found the Town's claims incredulous and unsupported. We are requesting and will provide police and

² July 2009 closing on a 76,000 square foot 226 bedroom, 66 kitchen unit student housing facility. Tax rates times assumed assessment of \$1 mm in year 1 growing to \$5.3 mm by year 20. For Fiscal Year 2010/2011 the total payment due was \$19,382.30 (see attached) such that first year payments were $(\$19,382 + \$16,915)/226 = \$160/\text{bedroom}$. $(\$19,382 + \$16,915)/66 = \$550/\text{kitchen unit}$. 20 Year Tax Agreement.

³ In July 2007, Wiljeff, LLC (the "Company") entered into three Payment-in-Lieu-of-Tax ("PILOT") Agreements with COMIDA in support of construction of 564,000 sq. ft. student housing project with 302 apartments/925-bedrooms and 67,000 sq. ft. retail space (including a Barnes & Noble Bookstore) at 205 Jefferson Road in Henrietta, now known as Park Point. In June 2012 the three tax agreements for the property were combined into one tax agreement with payments of \$592,030 for 2012/13 School and 2013 Town and County tax years. Approximately 1/3rd of the payments is for the retail space leaving approximately \$400,000 paid by the apartments. The affected tax jurisdiction rates were 19.311765 School; 9.418596 T/C; 3.563147 Specials. $\$400,000/925 = \$432/\text{bedroom}$. $\$400,000/302 = \$1,325/\text{kitchen unit}$. 40 year Tax Agreement.

⁴ CGR report predicts Town costs from \$265k-\$285k year. Whereas Camoin report estimated at \$50k/year. The Company defers to IDA as to how much is paid directly to Town from impact fees but asked that the Tax Agreement call for a schedule beginning at a total payment of \$388,000.

⁵ 696 bedrooms and 228 kitchen units plus faculty (Faculty Buildings estimated at \$10,700 per building with one building assured to be built others two at Foundation discretion). $(\$388,000 - \$10,700 \text{ faculty})/696 = \$557/\text{bedroom}$. $(\$388,000 - \$10,700 \text{ faculty})/228 = \$1,654/\text{kitchen unit}$. 25 year Tax Agreement. Our theory is to offer an all in payment that the community can allocate so as to take actual costs off the table and thereafter provide general fund revenues. Additionally, at significant expense (millions of added costs) to the Company we have developed and will deliver at CoFO an expandable sewer and water system to the Town that has considerable value to the Town.

Hon. Michael Horodyski
February 4, 2014
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HARRIS BEACH ^{PLC}
ATTORNEYS AT LAW

fire call information from our Syracuse facility that likewise reinforces our position that the Town of New Paltz will not have the costs they are describing.

Despite our concerns with the credibility of the Town cost figures, we have offered direct payments to the Town ranging from our estimated Town cost of \$50k to the Town estimated Town cost of \$275k (these impact payments would reduce what is paid under the IDA PILOT not be in addition to). At this time we are advised that the Town Planning Board will condition either or both of its findings and Site Plan review by attempting to prohibit an IDA Tax Agreement. We provided earlier opinions indicating these actions are beyond the scope of Planning Board reviews (see attached Memo from HB to Park Point New Paltz LLC and letter of Mike Moriello).

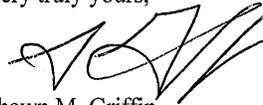
We are advised that the IDA Governance Committee met and voted to recommend to the IDA Board that the IDA define units based on "beds". We note that even the current draft of the Findings by the hostile Planning Board includes "The Proposed Action studied in the Park Point EIS is the construction of 13 residential buildings, designed to provide 180 [should be corrected to 228] residential units, with 696 bedrooms, intended for students, and 30 one and two bedroom residential units, intended for faculty housing." We respectfully note that we have always interpreted units as the residential area with a kitchen. The research attached supports our earlier understandings and we note that as a practical matter beds rise and fall from semester to semester so we prefer the certainty of per door/kitchen/apartment or worst case per bedroom.

We cannot build this project without the cost certainty of the Tax Agreement proposed. If the IDA takes these actions on April 9th we will look to close on construction financing as soon as practicable and would anticipate a summer/fall 2014 start.

We have union support and we have bipartisan support from the county legislature as represented by our Press Release (attached).

Please call with any questions or concerns. We welcome the opportunity to discuss this matter further with your board and would appreciate an opportunity to address your board next week.

Very truly yours,



Shawn M. Griffin

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Hon. Michael Horodyski
February 4, 2014
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HARRIS BEACH PLLC
ATTORNEYS AT LAW

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Attachments

Letter to IDA Chair dated February 4, 2014
Town cannot prohibit IDA PILOT:
 Memo from Harris Beach PLLC to Park Point New Paltz LLC and
 Letter of Mike Moriello, esq.
Camoin Report estimating \$50k in Town impacts
CGR Report estimating \$275k in Town impacts
Camoin critique of CGR Report
Monroe County Sheriff indicating no additional costs at RIT Park Point
Research on Unit being a door/kitchen/apartment NOT a bedroom or bed
Press Release

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4/1/2014 4:16 pm

SCHEDULE B

PILOT/TAX ABATEMENT STRUCTURE

A. Real Property Tax Terms:

Amount payable - \$522,000/annually (696 units times \$750/units)

Adjusted annually in accordance with the terms of the Agency's UTEP

Allocated proportionately to Ulster County, the Town of New Paltz and the New Paltz Central School District

No caps on "normal taxes" relating to the faculty housing portion of the Project

No caps on special assessments

B. Sales Tax Terms:

100% exemption on building materials and equipment

C. Mortgage Recording Tax Terms:

100% exemption of amount of the mortgage

SCHEDULE C

PROJECT FINDINGS

- The Project benefits the State University of New York at New Paltz (“SUNY New Paltz”), the only 4-year university in Ulster County
- Several members of the faculty and the administration of SUNY New Paltz attended the public hearing held by the Agency and described the importance of the Project to the continued health and vitality of the university
- The importance of the Project to SUNY New Paltz is further described in a memorandum dated January 4, 2013 and submitted by the President of SUNY New Paltz to the Chairman of the Town of New Paltz Planning Board
- The Project will create a significant number of construction jobs and involves a significant amount of private investment in Ulster County
- The Project will also result in increased local spending and local wages
- The Project will increase the health and vitality of SUNY New Paltz and thereby assist in retaining the existing jobs provided by the university
- The Project includes the construction of a waste water treatment plant and water supply system which will serve the Project but will also be available and designed for future development and expansion to support future growth



New Paltz

STATE UNIVERSITY OF NEW YORK

Office of the President

TO: Michael Calimano, Chairman of the Town of New Paltz Planning Board

FROM: Donald P. Christian, President *Donald P. Christian*

RE: Park Point SEQR Review

DATE: January 4, 2013

I spoke to the Town Planning Board at the public hearing on November 2 to detail reasons that the proposed Park Point housing project is so important to SUNY New Paltz. I attended subsequent meetings, but in accord with the Board's guidance against repeated remarks by a single person before a full range of voices was heard, I made no further public comment. Now, at this later stage in your review process, and after I have heard a diversity of views expressed by others, I feel it important to reiterate the importance of this project to the future vitality of our college, to address what have emerged at your hearing as major concerns; and to provide needed factual corrections to the record. I would be happy to meet with you to share additional College perspective on this project or to respond to questions about the information below, if that would assist your decision-making process.

History and need. We begin with the premise that New Paltz is a residential college; this is fundamental to our character, approach to education, and attractiveness as a place to study and learn. Park Point is a **campus-initiated** project that, in accord with this commitment, will respond to long-identified student interest in safe and proximate apartment-style housing that increases opportunity for students to participate in a rich campus life. Expressed student and College interest in such housing dates back at least to 2004. Community concerns about limited availability of rental housing in New Paltz are much older than that. For example, one member of my Cabinet participated in a community task force on housing during the late 1980s that encouraged the College to take steps to address student housing needs. We recently have heard Mayor West speak about the impacts of the extremely low rental vacancy rates in the community. Park Point is our effort to address longstanding community and college needs.

Each year, about one half of the students graduating from SUNY New Paltz began their study with us as transfer students, mostly from the Hudson Valley—consistent with our mission of access as a regional public university. Since at least 2007, we have not been able to provide housing for transfer students, many of whom live 5, 10, 20, or more miles away. Our 2012 surveys show that more than 60% of these commuter students would live in apartments on or near the campus if they were available, affordable, and of decent quality. The fact that these students **do not** now live in this community counters the view expressed by a few students during the public hearing that anyone can find decent, affordable housing in New Paltz just by looking hard enough. Instead, these students reside in other communities, spend more of their

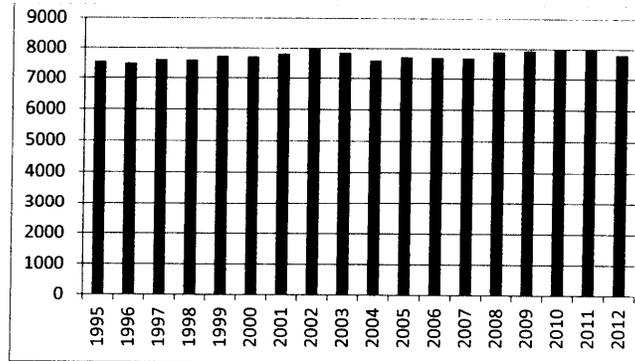
Sustainability Committee recognizes that reduced commuter travel (and resulting carbon emission) is among the benefits that Park Point would bring to the College and the community.

The fact that Park Point would house many students who do not currently live in New Paltz should give some reassurance to New Paltz rental-property owners, who apparently believe that this project would be filled largely by students attracted away from current apartments. We do not believe that to be the case. We estimate that this project will allow 60% of our students to live on or near campus, up from the current 50%, and expect that demand would persist for quality, competitively priced existing apartments in the community.

The survey statistic does not speak to the many potential transfer students who would **like to** attend New Paltz for our academic and student life attractions but choose to go elsewhere because of the lack of decent, affordable housing on or adjacent to campus, a pattern that our admissions staff encounter regularly and referred to during your public hearing. We are in an era of dramatically declining numbers of high school graduates in New York and the Northeast. Competition for students (especially the bright, engaged students we most seek) is already intense, and will become more so in the future. New Paltz is one of only five SUNY campuses that do not offer apartment- or townhouse style housing to its students, and one of the other four has approved plans in place. Many community colleges across the state are building residence halls; they and other institutions are actively recruiting students from the Hudson Valley. In such a competitive environment, it is virtually inevitable that some colleges and universities in the Northeast will find themselves hard pressed to survive in the coming years.

More student housing is critical to keep SUNY New Paltz strong, educationally and financially. The College's long-term plans include building **one** new residence hall, not 13 as erroneously stated by one landlord during the public hearing. The College currently has 13 residence halls in total. Some are seriously outdated, and we are in the early stages of a 17-20 year plan to renovate them. Among the 9 SUNY comprehensive college campuses for which we have comparable data, we rank last in total residence hall capacity per enrolled undergraduate student. We also rank last in residence hall square footage per undergraduate student, with only 73% as much space as the average of the other 8 campuses in this data set. We need additional residence hall capacity as well as better diversity of housing options to serve current students well.

Enrollment goals at SUNY New Paltz. There is a serious misunderstanding among some members of the community that the College's interest in Park Point is to grow our enrollment. The College has not grown its headcount enrollment, as the graph below shows clearly.



Furthermore, the **College does not intend to grow its undergraduate enrollment.** For about the last decade, we have sought to admit the same number of new students each year, and to maintain relatively flat overall enrollments. We have been successful, and this practice will continue in the future. The housing at Park Point will help us serve current numbers of students better, and will help us maintain enrollments in the face of extreme competition for top students, as noted above. In fact, the College’s enrollment is capped by many factors other than residence hall capacity, if we are to continue providing a high-quality education. Examples include: numbers of faculty, support staff, and mental health counselors, academic space (we have less space per student than any other SUNY campus in our sector), and library capacity. Support for significant growth in enrollment beyond current levels would require massive investment of state resources (both direct taxpayer support and borrowed funds), virtually out of the question in any foreseeable future.

We have capacity to grow at the graduate level. But most of our graduate students are settled and working in the region. Graduate enrollment growth will focus primarily on meeting regional workforce needs, and will include more online and “hybrid” courses and programs that are accessible to working professionals. We will always have residential graduate students, who bring a mature, experienced voice and presence to our community. Park Point will help us better serve a modest number of those students, some of whom are non-traditional age and seek apartment-style housing near the campus. But this is not the primary target population for this project.

Why a private developer. The SUNY New Paltz Foundation exists for the sole purpose of supporting the College, our students, and our programs, largely through philanthropy but in related other ways. The Foundation Board Directors are volunteers, who donate their time and treasure to support the College. In 2007, the Foundation, through its affiliate Goshawk LLC, purchased the 42 acres adjacent to campus when that property became available. The College does not have sufficient space on the campus to build apartments. The specific purpose of that purchase was to support establishment of student and faculty/staff housing. In 2007, several options were open to meet this goal, including possible transfer or sale of the property to the College, creating opportunity for the College itself to build apartments. However, in about 2008, it was determined that the College could not borrow and re-pay the debt to construct apartments

as a state-funded project, **and** complete much-needed, long-delayed major renovation of our residence halls, **and** construct an additional residence hall that we also need. This left partnership with a private developer as the only currently viable path to building apartment housing to meet needs of the College and our students and faculty.

It is worth re-emphasizing that Park Point is a College-initiated project. As noted above, the College and its Foundation recognized some time ago the critical need for more housing. The Foundation, along with its partners, approached Wilmorite as an independent, well-regarded, relatively small, upstate New York-based, family-owned business with an excellent reputation and a portfolio that includes similar campus-linked developments elsewhere in the State.

You have heard comments reflecting a political judgment that the College, as a public entity, should not be involved with private, for-profit enterprise like Wilmorite; instead the state should be funding an initiative such as Park Point. It is a reality that every building the State of New York builds, on our campus or elsewhere, is essentially a public-private partnership, because state construction is funded by the sale of bonds in the private sector. This process has existed for decades. It is a further reality that our State is among the most heavily indebted in the nation and faces other massive infrastructure needs, with Hurricane Sandy recovery now placing an additional strain on its resources. Public entities across the nation including college campuses like SUNY New Paltz are being encouraged to pursue public-private partnerships to meet critical infrastructure needs in the face of severe constraints on public funding (housing and energy supply are two primary examples).

Furthermore, the College relies on private capital and private construction companies for most on-campus building and renovation projects. We regularly contract for services with for-profit entities, and purchase supplies and equipment from them. We deal routinely with companies that earn profits while supplying the College with goods and services needed to support our core mission.

Affordability. Wilmorite's occupancy rate at other similar projects has consistently been above 95%, which indicates they're able to provide a competitively priced housing option. Per person rental rates will be comparable to room rates for on-campus residence halls. Some students have spoken about the high cost of on-campus housing. Yet room rates at New Paltz rank in the bottom half within the SUNY system, and many of our students find the cost of on-campus housing attractive relative to renting in the community.

Restricting rentals to students and faculty/staff. More than one community leader asserted during the public hearing process that restricting the rental of these units to students or faculty and staff would constitute illegal housing discrimination, and that Park Point would necessarily become "public" housing. One even suggested that calling Park Point "student housing" was a foot-in-the-door ruse to establish a general-purpose housing development. Such assertions are patently false. There are no laws prohibiting building a housing project expressly for college students and employees. Indeed, many purpose-built housing units across the nation serve targeted populations; students or senior citizens or people over age 55 are familiar examples.

Park Point will be operated in compliance with all federal, state and local laws, statutes and ordinances governing such projects, including the Fair Housing Act. Housing laws protect the rights of those who have historically been the victims of discrimination. Laws have been written that prohibit discrimination based upon the factors of race, color, religion, sex, national origin, disability (added in 1988), and familial status (added in 1988). "Non-student" is not a category of citizens protected under these laws.

Consultation. Statements by some students and community members suggest that the Park Point project has been planned in secret. This is not true. Former SUNY New Paltz President Steve Poskanzer and I have spoken and written publicly about the project since the 2007 land purchase, in various reports to faculty and State of the College addresses that are distributed and available on our public website and to various community leaders, organizations (e.g., New Paltz Rotary) and chambers of commerce. Since 2008-09, representatives of Wilmorite have met with dozens of campus and community groups and individuals to inform the development of the plan, including: Town and Village Boards, Village DPW, Town Zoning Board, Town Building Department, Fire Chief, Town Engineer, SUNY New Paltz students (including 2009-2010 focus groups they conducted), Ulster County Planner, Town Wetlands Consultant, NYS DEC, Ulster County Health Department, New Paltz Environmental Task Force (which includes substantial faculty, staff, student, and community representation). I have spoken with students about the project during my regular evening sessions in the residence halls and meetings with my Student Advisory Group; in all settings, I have heard much excitement about the new housing options. Since 2010, Wilmorite has met regularly with town planning board members in work sessions and meetings open to the public and televised on public access television.

Campus views. As mentioned, the Campus Sustainability Committee, a governance body that includes faculty, staff, administrative, and student representatives, has endorsed the Park Point project because it will reduce our carbon footprint by reducing commuter travel. An email to you on December 14 from Shelly Wright, Chief of Staff, clarified the resolution passed by the faculty in attendance at a Faculty meeting on December 7, as communicated to you in a 12/10/12 memo to you from Professor Konigsberg. I underscore that the two numbered notes included in Professor Konigsberg's memo are his thoughts, and were **not** part of the faculty resolution.

I have written about my view that it is a small, vocal minority of students who are opposed to this project, just as a small, vocal group of students previously opposed the addition and renovation to our Student Union Building that has proven so transformative for the campus. I have seen no evidence or indication that the negative views you have been hearing from some students reflect those of the broader student population. Indeed, as I noted above, my conversations with students indicate broad and enthusiastic interest in and support for the Park Point project.

Parking and Traffic. Concern has been raised that the number of parking spaces in the complex (well below the number of beds) will spur increased vehicle traffic to and from campus on already busy and congested roads in our community. The college's long-term plan to relocate parking to the periphery of campus is well underway. As available parking shifts in location, it is unreasonable to think that droves of future students living at Park Point will get in their cars, drive to campus, and reliably find parking any closer than their residences to their classrooms.

Assertions I heard during the public hearing about walking times on campus are terribly misleading. I have walked to my office in the administration building after parking on campus as close to the boundary with Park Point as possible; that was an 8 minute walk. By any reasonable estimate, walking between Park Point and classrooms or offices should require no more than 15-20 minutes for most people. Changing human behavior is core to achieving sustainable ways of life, and this is a clear example of the minor adjustments in lifestyle that SUNY New Paltz – as an educational institution – must model and advance, and that the broader community, also committed to sustainable living, could endorse and support.

The connector road between Park Point and campus will accommodate pedestrian, bicycle, LOOP bus and vehicle traffic, but vehicle traffic is expected to be minimal because of the lack of parking spaces in the campus interior, and as an outgrowth of our aforementioned educational efforts to change behavior. The connector road will likely be used mostly by emergency vehicles, and by the LOOP bus if that is an advantageous route.

SUNY New Paltz Facilities staff and Wilmorite are working to refine a design for the connector road. This will pass from the north/northwest border of Park Point onto the campus, past the east side of the South Classroom Building, and connect with Southside Loop across from Bevier Hall. This provides the most direct walking access to other residential, dining, and academic areas of the campus. Our implementation will include removal of outdated and unused satellite dishes, and relocation of recently installed solar panels used to charge batteries on our electric vehicles. We will use this project as an opportunity to relocate (as necessary) and to enhance some of our facilities-support buildings. Our overall goals include creating an attractive, well-lighted pathway that will encourage pedestrian travel and be consistent with our Campus Master Plan.

You may share my concern about the willingness of some people to dismiss findings of traffic studies that do not agree with their preformed views. That includes the village/town/DOT study showing that the College is not the major source of traffic congestion in New Paltz; findings that an east-west connector between Routes 32 and 208 will do little to alleviate traffic congestion; and findings of studies conducted for Wilmorite that show no net increase in traffic from Park Point.

Sustainability. Especially after hearing concerns about the choice of the National Green Building Standard (NGBS) as opposed to LEED as the building standard for the Park Point project, I spent some time researching the differences between NGBS and LEED. While I make no claim to expertise on this topic, based on that effort I am comfortable that NGBS is not only acceptable, it is a preferable standard to guide this project, and believe that some of the objection is based on the fact that LEED is an older, perhaps more familiar green rating system. I also recognize that NGBS offers several advantages over LEED for this particular project, notably site considerations that do not factor into LEED. It is also my view that Wilmorite is being very conservative at this stage in the approval process in committing to building Park Point to an NGBS Bronze standard. The Park Point plan already includes significant additional steps, and planned costs for green building materials BEYOND the energy efficiency standards in the current building code and beyond what is required to achieve a Bronze standard. The plan also includes a commitment to energy standards for appliances above those required for the base NGBS certification.

Some have stated that the Park Point project as designed is not consistent with the SUNY New Paltz Sustainability Plan, written in accord with our commitment to the American College and University Presidents Climate Committee (ACUPCC). I disagree with that assessment, and regard the Park Point project and the environmental benefits it will provide as fully consistent with and supportive of both the draft campus Sustainability Plan and the ACUPCC. The Sustainability Plan lays out goals for use of renewable energy, and the College is committed to implementing plans to achieve those goals over time. But realizing those goals will not be immediate, as some seem to think they should be – whether for on-campus projects or affiliated ones like Park Point. Constraints in technology and – especially - in financial resources will drive the pace and scale of that implementation, in ways that unfortunately but inevitably will frustrate and disappoint many, including campus leadership.

Thus, our ongoing and pending construction and major renovation projects (all designed to a LEED Silver standard) do not include some of the innovations that some have argued should be demanded for Park Point. Some will argue that these projects should be reduced in size and scope to incorporate more extensive sustainability features. Such arguments ignore the simple principle that projects must meet programmatic needs if sustainability is to be meaningful. They also ignore the reality, noted earlier, that SUNY New Paltz operates under severe space constraints relative to other SUNY campuses in our sector; again, our new construction projects and goals support our ability to educate current numbers of students, not to grow our enrollment. I would be irresponsible to our core mission of educating students if I did not put a high priority on maximizing short-term space gains with every new project, of course while making the necessary investments to achieve LEED Silver (or equivalent) status, and planning for the major long-term investments in sustainable alternatives like biomass generation or co-generation and expanded use of photovoltaics.

Those same constraints apply to Park Point, if we are to be realistic about providing affordable housing to meet College needs. Solutions that leave people out of the equation are not truly sustainable. As we look to the future and the long-term implementation of the goals of the ACUPCC and our Sustainability Plan, it is possible that Park Point's development as a non-state project may open avenues for private development/supply of alternative energy that is difficult for the College to undertake because of constraints placed on us as a state entity. Those may not make sense right now from either technological or financial perspectives, but that assessment is likely to change in the future.

I must be concerned about assertions that Park Point is not sustainably designed; some of these assertions are based on inadequate information, supposition, or lack of careful reading or critical thinking. I hope that you will evaluate such assertions critically. For example, Wilmorite has said that occupants will pay a single bill that includes rent, utilities, laundry, cable, and internet. Some have taken that to mean that there will be unintended incentives for unlimited or excessive use of heat and electricity. Quite to the contrary, Wilmorite sets upper and lower limits on temperature controls in each unit, and has systems to monitor excessive use of heat and electricity. Elsewhere, their on-site personnel intervene directly to correct excessive use.

As a second example, the two-bedroom apartments are planned with two bathrooms, which a small group of students claim is not consistent with our sustainability goals. But primary drivers

of environmental impact of bathroom use - number of showers, or hand-washings, or toilet flushes - are determined by the number of people in an apartment, not by whether they are using two as opposed to a single bathroom. The administration hears frequently about student interest in gender-neutral bathrooms and housing, and we are taking steps on the campus to respond to these interests and values to support a diverse student body. The two-bedroom, two-bath apartments would be ideal for students with such interests, as well as many non-traditional-age students including graduate students and military veterans.

Community benefits. I am concerned that some of the clear community benefits of this project, beyond housing and reduced traffic congestion and its impacts, are being lost or discounted. These are no doubt clear to you, but worth brief summary here. The property on which Park Point will be built currently does not pay taxes. Under a payment in lieu of tax (PILOT) agreement the project will make payments until the expiration of the PILOT term, at which point the property will be assessed and pay full taxes for the remainder of the lease term. I understand and recognize the controversy about whether offering PILOTs is good public policy, whether this project should qualify for a PILOT (the law says that it does), and about the amount of any PILOT offered. But this is current policy in New York, and any PILOT payments will be substantially greater than the property tax that has been paid on this property – or that will be paid if the project is not undertaken. If the college were able to build this project on campus land, and did so, there would be no such payment to the community.

Wilmorite will construct a waste water treatment plant and water supply system for this project. This infrastructure for Park Point will be designed for future expansion to support Town growth needs, in parts of the Town already identified as priorities for development. Storm water discharge quality and quantity will be immediately improved as a direct result of the extensive planning and conservation that have been done in conjunction with the Town's engineer and environmental consultants.

According to Wilmorite's commissioned study, the projected economic impact of this development includes an estimated 235 construction jobs and 10 direct and 63 indirect post-construction jobs, along with new annual local spending estimated at \$7.8 million in sales and \$2 million in wages. We see many advantages to the College and to the Village/Town in having more students and faculty have access to a dynamic community experience by living close to campus and participating in local activities and patronizing local businesses.

Other economic impacts. I appreciate that Park Point may incrementally increase the demand for some public services, although I am skeptical about the basis for the projected costs that some community members have suggested are likely. We remain hopeful that we can establish a modified MOU that will make it possible to fulfill our objective of having University Police, rather than New Paltz Town Police, be the primary respondent for police calls to Park Point, as has been our intention since the start of this project. I recognize that uncertainties remain about that point.

The College will continue our voluntary agreements that provide considerable in-kind support for the Rescue Squad, fire department, and LOOP bus, and we are willing to consider modest adjustments to those agreements to support increased costs and demand. Many in the

community may not be aware that the College employs two local firefighters in the Environmental Health and Safety department. Their work helps reduce demands on the NPF by minimizing false fire alarms on campus. They administer the Fire Safety Program, which includes fire safety education for students, faculty and staff; fire alarm shutdown requests for construction projects; issuing hot work permits; conducting fire and life safety reviews for construction projects; and conducting monthly building inspections. It also is worth noting that the College requires all students to carry health insurance, which means that much of the cost of all Rescue Squad calls resulting in transport or advanced life support is reimbursed.

I recognize the community motivations to maximize financial commitments by the developer to cover costs of municipal services. I also recognize that the developer's decision to continue this project, if approved, will depend on their judgment of financial costs and benefits, investments already made in the project, and future risk. These are not judgments that are in my purview to influence or scrutinize.

Closing. Thank you for your consideration of these views and perspectives, which I believe underscore that the approach being proposed is the only financially viable and environmentally sound solution to a critical need for the College and the community to house current numbers of SUNY New Paltz students. Many have expressed disbelief that SUNY New Paltz is vulnerable to market forces, however, in my role as steward of this educational institution, I must monitor shifting external conditions and plan so that the future of the college and its viability is secure. The evidence at both the national and state levels indicates that we are in the midst of very challenging times in higher education. Projects such as Park Point take many years to realize and therefore we cannot wait until conditions worsen to initiate such efforts. In the coming years, I would like to continue to report to the community that SUNY New Paltz is thriving. The future of the college and the New Paltz community are intertwined and your support of this project is critical.

Again, I stand ready to provide additional information, to respond to questions you might have about the above or other information, or to arrange for other SUNY New Paltz employees with more specialized knowledge to meet with you.