

**County of Clinton Industrial Development Agency  
Report of the Public Hearing  
Regarding Vilas Home, LLC  
July 23, 2019**

The public hearing was called to order by Renee McFarlin, Executive Director of the County of Clinton Industrial Development Agency at 5:30 p.m., at Plattsburgh City Hall Meeting Room, 41 City Hall Place, Plattsburgh, New York.

Present: Renee McFarlin, Executive Director of the County of Clinton IDA

My name is Renee McFarlin, and I am the Executive Director of County of Clinton Industrial Development Agency (the "Agency") in connection with the project which is the subject of this public hearing.

Today I am holding this Public Hearing to allow citizens to make a statement, for the record, relating to the involvement of the Agency with a project (the "Proposed Project") for the benefit of Vilas Home, LLC, a New York State limited liability company (the "Company").

The Proposed Project consists of the following: (A) (1) the acquisition of an interest in an approximately 3.40 acre parcel of land located at 61 Beekman Street (Tax Map No. 207.18-6-38) in the City of Plattsburgh, Clinton County, New York (the "Land"), together with an approximately 22,400 square foot building located thereon (the "Facility") and (2) the acquisition and installation therein and thereon of related fixtures, machinery and equipment (collectively, the "Equipment") (the Land, the Facility and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to constitute an adult home facility 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 estate 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.

I intend to provide general information on the Agency's general authority and public purpose to provide assistance to this Proposed Project. I will then open the comment period to receive comments from all present who wish to comment on either the Proposed Project or the Financial Assistance contemplated by the Agency with respect to the Proposed Project.

### **Legal Authorization and Powers of the Agency**

The provisions of Chapter 1030 of Laws of 1969 of New York, constituting Title I of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York as amended, and Chapter 225 of the 1971 Laws of the State of New York, as amended, codified as Section 895-f of said General Municipal Law (collectively, the "Act"), authorize the Agency to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining and equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others.

### **Purpose of this Public Hearing**

Pursuant to Section 859-a(2) of the General Municipal Law of the State of New York (the "Act"), prior to the Agency providing any "financial assistance" (as defined in the Act) of more than \$100,000 to any project, the Agency, among other things, must hold a public hearing pursuant to Section 859-a of the

Act with respect to said project. Since the proposed “financial assistance” to be provided by the Agency with respect to the Proposed Project may exceed \$100,000, then prior to providing any “financial assistance” (as defined in the Act) of more than \$100,000 to the Proposed Project, the Agency must hold a public hearing on the nature and location of the Project Facility and the proposed “financial assistance” to be provided by the Agency with respect to the Proposed Project.

After consideration of the Application received from the Company, the members of the Agency adopted a resolution on June 10, 2019 (the “Public Hearing Resolution”) authorizing the Executive Director of the Agency to conduct this Public Hearing with respect to the Proposed Project pursuant to Section 859-a(2) of the Act.

The Executive Director of the Agency caused notice of this Public Hearing to be (A) mailed or hand delivered on July 10, 2019 to the chief executive officers of Clinton County, the City of Plattsburgh and the Plattsburgh City School District and (B) published on July 12, 2019 in the Press Republican, a newspaper of general circulation available to the residents of the City of Plattsburgh, Clinton County, New York. In addition, the Executive Director of the Agency caused notice of this Public Hearing to be posted on July 10, 2019 on the Agency’s website and on July 10, 2019 on a public bulletin board located at 41 City Hall Place, City of Plattsburgh, Clinton County, New York.

Copies of the notice of this Public Hearing are available on the table.

Now, unless there is any objection, I am going to suggest waiving the full reading of the notice of this Public Hearing, and instead request that the full text of the notice of this Public Hearing be inserted into the record of this Public Hearing.

### **Public Hearing Notice**

Notice is hereby given that a public hearing pursuant to Section 859-a(2) of the General Municipal Law of the State of New York (the “Act”) will be held by County of Clinton Industrial Development Agency (the “Agency”) on the 23<sup>rd</sup> day of July, 2019 at 5:30 o’clock p.m., local time, at Plattsburgh City Hall located at 41 City Hall Place in the City of Plattsburgh, Clinton County, New York in connection with the following matters:

Vilas Home, LLC, a New York State limited liability company (the “Company”), has presented an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in an approximately 3.40 acre parcel of land located at 61 Beekman Street (Tax Map No. 207.18-6-38) in the City of Plattsburgh, Clinton County, New York (the “Land”), together with an approximately 22,400 square foot building located thereon (the “Facility”) and (2) the acquisition and installation therein and thereon of related fixtures, machinery and equipment (collectively, the “Equipment”) (the Land, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to constitute an adult home facility 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 estate 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.

The Agency is considering whether (A) to undertake the Project, and (B) to provide certain exemptions from taxation with respect to the Project, including (1) exemption from mortgage recording

taxes with respect to any documents, if any, recorded by the Agency with respect to the Project in the office of the County Clerk of Clinton County, New York or elsewhere, (2) exemption from deed transfer taxes on any real estate transfers, if any, with respect to the Project, (3) exemption from sales taxes relating to the acquisition, construction, renovation and installation of the Project Facility, and (4) in the event that the Project Facility would be subject to real property taxation if owned by the Company but shall be deemed exempt from real property taxation due to the involvement of the Agency therewith, exemption from real property taxes (but not including special assessments and special ad valorem levies), if any, with respect to the Project Facility, subject to the obligation of the Company to make payments in lieu of taxes with respect to the Project Facility. If any portion of the Financial Assistance to be granted by the Agency with respect to the Project is not consistent with the Agency's uniform tax exemption policy, the Agency will follow the procedures for deviation from such policy set forth in Section 874(4) of the Act prior to granting such portion of the Financial Assistance.

If the Agency determines to proceed with the Project, the Project Facility will be acquired, constructed, reconstructed and installed by the Agency and will be leased (with an obligation to purchase) or sold by the Agency to the Company or its designee pursuant to a project agreement (the "Agreement") requiring that the Company or its designee make certain payments to the Agency.

The Agency has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law (the "SEQR Act") regarding the potential environmental impact of the Project.

The Agency will at said time and place hear all persons with views on either the location and nature of the proposed Project, or the Financial Assistance being contemplated by the Agency in connection with the proposed Project. A copy of the Application filed by the Company with the Agency with respect to the Project, including an analysis of the estimated costs and benefits of the Project, is available for public inspection during business hours at the offices of the Agency. A transcript or summary report of the hearing will be made available to the members of the Agency.

Additional information can be obtained from, and written comments may be addressed to: Renee McFarlin, Executive Director, County of Clinton Industrial Development Agency, 137 Margaret Street, Suite 209, Plattsburgh, New York 12901; Telephone: 518-565-4600.

Dated: July 9, 2019.

The comments received today at this Public Hearing will be presented to the members of the Agency at or prior to the meeting at which the members of the Agency will consider whether to approve the undertaking of the Proposed Project by the Agency and the granting by the Agency of any "financial assistance" in excess of \$100,000 with respect to the Proposed Project.

### **Written Comments**

The notice of this Public Hearing indicated that written comments could be addressed to: Renee McFarlin, the Executive Director of the Agency. No written comments have been received by the Agency prior to this Public Hearing.

### **Open Public Hearing to the Floor for Comments**

I will now open this Public Hearing for public comment at 5:32 o'clock, p.m.

By way of operating rules, if you wish to make a public comment, please raise your hand, and I will call on you. Please wait to be recognized, once recognized, please stand and state your name and

address for the record.

When everyone has had the opportunity to speak, I will conclude this Public Hearing. A record of this Public Hearing will be prepared and reviewed by the members of the Agency in connection with the Agency's consideration of the Proposed Project.

Again, the purpose of this Public Hearing is to solicit public comment. We are not here to answer questions. However, we will in the course of this Public Hearing consider questions if we have the information to answer the questions and there is sufficient time to consider such questions.

I will now ask if there is anyone in attendance who wishes to comment on either on the nature and location of the Project Facility or the proposed "financial assistance" being contemplated by the Agency with respect to the Proposed Project.

**Formal closure of the public hearing**

So, if there are no further comments, I will now close this Public Hearing at 5:48 o'clock, p.m.

Thank you for attending.



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Toni Moffat  
Executive Assistant, County of Clinton IDA



# PLATTSBURGH CITY SCHOOL DISTRICT

Jay Lebrun

Superintendent of Schools

49 Broad Street  
Plattsburgh, NY 12901

Ph: (518) 957-6002

[jay@plattscsd.org](mailto:jay@plattscsd.org)

[www.plattscsd.org](http://www.plattscsd.org)

July 23, 2019



Board of Directors  
Clinton County Industrial Development Agency  
c/o Renee McFarlin, Executive Director  
137 Margaret St., Suite 209  
Plattsburgh, NY 12901

Dear Ms. McFarlin:

This correspondence will summarize the Board of Education's position relative to the proposed payment in lieu of taxes (PILOT) agreement for Vilas Home, LLC. The Board of Education of the Plattsburgh City School District appreciates the opportunity to share its perspective with yourself and with the Directors of the Clinton County Industrial Development Agency (CCIDA). The Board of Education will offer distinct input for each and every proposed PILOT, and the position outlined herein may well differ from the opinions shared on other projects, based on each's relative merits.

The Plattsburgh City School District Board of Education opposes the proposed Vilas Home, LLC PILOT. The Board of Education understands that no legal recourse exists for precluding this proposed PILOT, but wishes for the CCIDA Board of Directors to be aware of its stance on this matter.

PILOT agreements should be reserved for projects which expand economic activity – preferably through the introduction of novel employment. We understand, through a very informative presentation previously made by Ms. McFarlin, that job-creation need not be the only criteria, and that such projects are adjudicated by the CCIDA on a more holistic basis. Nonetheless, the Vilas PILOT fails to meet any reasonable test of merits in the eyes of the Board of Education.

The Vilas Home is an existing, fully-operational enterprise. The currently-proposed PILOT will not expand the employment base in the region, nor create any new economic activity. It has been suggested that a future expansion of the facility is contemplated by the prospective owner, and the Board of Education looks forward to learning about such and to considering the merits of any future proposed PILOT therefore. But the concept of a PILOT for an existing business to continue its current scope of operation should in no way justify the abatement of said business' real property taxes, and the resultant concentration of the tax

burden on the balance of the jurisdiction's taxpayers.

It has been suggested that Vilas Home, LLC is experiencing financial distress, and is in jeopardy of no longer being a going concern. The Board of Education is certainly open to learning more about the Vilas Home, LLC's reported insolvency, and in knowing if the Vilas Home currently serves some charitable purpose (which it did not when its taxable status was previously litigated and changed). Ensuring profit for a privately-held corporation cannot be a basis of tax abatement. Other taxpayers cannot be made to absorb the tax responsibility of a corporation – particularly when the result is not an expansion of the local economy, but rather protection of profits for the owners.

To be clear, the Board of Education of the Plattsburgh City School District views the Vilas Home as a wonderful historic edifice, and an important local resource for those who choose to and have the means to become residents. But we oppose this PILOT proposal, and believe that it represents an unjust concentration of the tax burden on the balance of our taxpaying constituents.

We appreciate your consideration of this position, and we look forward to sharing thoughts on tax abatement proposals for economic development projects in the future.

With thanks, and on behalf of the Board of Education,



Jay Lebrun  
Superintendent of Schools