

**Public Hearing November 14, 2023 10:00AM  
Lodge at Schroon Proposed PILOT Agreement**

<b>PRESENT:</b>	Darren Darrah Roy Holzer	Jim Bowen Jamie Rogers	John Boyea
-----------------	-----------------------------	---------------------------	------------

<b>ALSO PRESENT:</b>	Jennifer Briggs List of attendees attached	Jody Olcott
----------------------	---	-------------

<b>CORRESPONDENCE:</b>	November 2, 2023 letter from Schroon Lake Motel & Cabins November 6, 2023 letter from Essex County IDA November 6, 2023 email from John Leaf November 14, 2023 letter from Roger Friedman
------------------------	--

NOTICE IS HEREBY GIVEN to all interested parties that a public hearing, pursuant to Section 859-a of the General Municipal Law will be held by the Essex County Industrial Development Agency (the "Agency") on November 14, 2023 at 10:00 o'clock a.m., local time at Schroon Town Hall located at 15 Leland Avenue, Schroon, New York in connection with the Project described below. This is a notice for a public hearing to authorize the Agency to enter into a payment in lieu of tax agreement (the "Proposed PILOT Agreement") that will deviate from the Uniform Tax Exemption Policy of the Agency (the "Policy") for the purpose of providing financial assistance in connection with the project described below. The Lodge at Schroon, LLC (the "Applicant") has requested that the Agency finance a project consisting of (A) (i) the renovation and equipping of a building in Schroon Lake, New York, to be owned by the Applicant and operated by a third party operator as an approximately 120-unit resort (the "Facility"), (ii) the acquisition and installation of various machinery, equipment and furnishings for the Facility, including substantial rehabilitation (the "Equipment"), and (iii) certain necessary preliminary and incidental expenses related thereto (the Facility and the Equipment hereinafter collectively referred to as the "Project"); and (B) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the General Municipal law) with respect to the Project and its financing, including real property tax exemptions (collectively the "Financial Assistance"); and (C) the sale of the Project to the Applicant or such other person as may be designated by the Applicant and agreed upon by the Agency. During the lease term, the Project will be owned by the Agency and leased to the Applicant. In connection with the Project, the Company has made a request to the Agency to enter into the Proposed PILOT Agreement which terms would deviate from the Policy. 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 adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations"), the Agency will determine whether the Project may have a "significant effect on the environment" (as set forth in the SEQR Act and the Regulations) and therefore require the preparation of an environmental assessment form. Such determinations shall be and shall be deemed to be in conformity with similar determinations of the Adirondack Park Agency, if and when issued. The Agency will at the above-stated time and place hear all persons with views in favor of or opposed to the Proposed PILOT

Agreement. A report of the hearing will be made available to the Board of Supervisors of Essex County, New York. This notice will be published in a newspaper in general circulation in Essex County at least ten (10) days prior to the date set for the hearing.

Chairman Darrah opened the public hearing at 10:00AM and opened the floor to public comments.

Bill T. – Supportive of Lodge project and believes it is the best thing to happen to Schroon since the opening of the Town beach years ago. He has seen many new visitors in town and businesses have seen a positive impact from Lodge. Lodge has also donated to many local nonprofit organizations. The additional sales tax and occupancy tax collections are also important.

Louis G. – Unhappy with the public hearing time of 10:00AM. Believes the current assessment of \$4.6 million is too low as Lodge invested over \$20 million in property. Also thinks Town should be seeing more impact from the Lodge project.

Paul & Cathy H. – They own and operate three rentals totaling 24 beds in the Town and have for past 17 years. Their business assessment increased last year as a result of the Town reassessment. They believe the \$4.6 million assessment for the Lodge is too low. Owners noted that they have invested their own money into property and any improvements. Also inquired as to how much sales tax collected would be coming back to the Town of Schroon.

Michael W. – He is in favor of the project but not with additional incentives like PILOT Agreement offered. The project was already provided sales tax exemption and mortgage recording tax abatement at the beginning of project as well as a \$4.1 million grant from State. He believes the project should be contributing more to the Town and believes the Town Revitalization Plan is outdated as since COVID many rooms and accommodations have been added throughout the Town and Town has sufficient beds. He inquired if the Lodge closes what will happen to the money already provided? He also noted that the many jobs at the Lodge are \$15/hour and those are not the type of jobs needed in the community. There are already a lot of those jobs available and unfilled. He believes the Lodge owners are requesting this PILOT Agreement because they are not realizing the occupancy and results they had projected and are requesting the Town to assist them.

George C. – He owns two properties in Schroon and noted that Lodge only paid \$200,000 for property after the State grant was received for \$4.1 million. He also believes the assessed value of the property at \$4.6 million is extremely low and noted that the Lodge owners should have projected enough operating capital from the start of the project for expenses such as real property taxes.

Kathy B. – She stated she was supportive of Lodge project but noted that with the amount of concerned residents at the public hearing today, obviously there was concern over providing PILOT to business and IDA Board should reconsider.

Angelo C. – He was very supportive and excited for new businesses in Town but has concerns over fixed assessment of \$4.6 million for the term of the PILOT Agreement. It is unfair the Town and residents have to foot the bill to support this business.

Lisa H. – Owner of Pine Cone Mercantile, a Main Street business and is thankful for the Lodge project and its owners for choosing Schroon to invest. She believes the success of the Town is dependent upon success of the Lodge. Her business has seen bump in revenue and many new customers as a result. Lodge visitors will also help to shoulder the down season and weeks when tourism is not busy.

Barry P. – Owner of the Trailbreak Restaurant and Motel. He believes the project is very good for the community but has major concerns over the \$4.6 million assessment of the property. If Lodge continues to receive additional incentives it is not fair to other businesses in Town. Occupancy tax is collected from the visitors, not by the owners of the Lodge. He also noted that the Lodge nightly rates are too competitive with existing businesses and had concerned as to why Lodge did not ask for PILOT Agreement when seeking sales tax exemption and mortgage recording tax abatement incentives last year.

John L. – He is one of owners of the Schroon Lake Motel & Cabins. Lodge prices are too competitive with their nightly room rates.

Dave D. – Unfair to local businesses to offer PILOT Agreement to Lodge when local business owners must take out loans or save in order to invest in their business.

Nancy B. – Unfair to local businesses who like herself have taken out loans to finance their businesses or future investment. Lodge owners should have planned accordingly and budgeted for these expenses.

Steve M. – Town Board member and has put a lot of time researching PILOT Agreements within State. The Lodge project is the largest single investment ever made in the Town and the first large hotel project in over 35 years. Essex County has six existing PILOT Agreements and those projects are successful from the incentives provided by the IDA. There are clawback provisions in the contract if the Lodge does not fulfill their required goals. He believes the proposed PILOT Agreement far outweighs the reduction in tax received and noted local businesses need to be more competitive.

Gerry - Inquired about the private homeowners who are renting their homes and are not collecting occupancy tax and wanted to know who monitors these.

The public hearing was closed at 10:55AM.

PUBLIC HEARING NOVEMBER 14, 2023  
10AM TOWN OF SCHROON TOWN HALL

NAME

WOULD LIKE TO  
SPEAK

777777	Bill Tribou	<input checked="" type="checkbox"/>	+
	Louis Gallo	<input checked="" type="checkbox"/>	+
	Paul Cathy Hasbrouck	<input checked="" type="checkbox"/>	+
	Michael + Henri Vetter (Welsh)	<input checked="" type="checkbox"/>	+
	GEORGE R COWAN	<input checked="" type="checkbox"/>	+
	EDWARD CANNON	<input checked="" type="checkbox"/>	
	Neil Chippendale	<input type="checkbox"/>	
	Peter White	<input type="checkbox"/>	
	Leanna Welch	<input type="checkbox"/>	
	Matthew Cunn	<input type="checkbox"/>	
77	Angele & Kathy Connistray	<input checked="" type="checkbox"/>	-
	Kathy Burdick	<input type="checkbox"/> ?	
	Bobs Jane Clark	<input type="checkbox"/>	
	Randy Garrison	<input type="checkbox"/>	
	Matt Massiano	<input type="checkbox"/>	
77	Lisa Hess-Markes	<input checked="" type="checkbox"/>	+
	Barry Pitkin	<input checked="" type="checkbox"/>	+
	David Morgan	<input type="checkbox"/> ?	
	Brooke Clapp	<input type="checkbox"/>	
	Samira Johnson	<input type="checkbox"/> No	
	Long John	<input type="checkbox"/> NO	
	Dary Hare	<input type="checkbox"/> NO	
	Shamara Van - SUN COMM. NEWS TIMES OF TI	<input type="checkbox"/> NO	
	Max Wood - SUN COMMUNITY NEWS	<input type="checkbox"/>	
7777	John Lobby	<input checked="" type="checkbox"/>	-
	LARRY RETD	<input checked="" type="checkbox"/>	+

Garry  
Steve Miller

Carlton  
Sebastian Connor

Joe Langman  
Kebak Sp1000 AN

Jim Kilm

Mary Neander

Laurie Bruce

Debbie Doherty

Dave Doherty

Heather Brownella

Donna R. R.

1

☐

☐

☐

☐

☐

☐

☐

☒

☐

☐

☐

☐

☐

☐

☐

☐

☐

☐

☐

☐

☐

☐

☐

☐

☐

☐

☐

☐

☐

☐

☐

☐

☐

☐

1



ESSEX COUNTY IN THE PARK  
INDUSTRIAL DEVELOPMENT AGENCY

7566 Court Street . P.O. Box 217 . Elizabethtown, NY 12932  
(518) 873-9114 . Fax (518) 873-2011 . E-mail: [info@essexcountyida.com](mailto:info@essexcountyida.com)  
Web Site: [www.essexcountyida.com](http://www.essexcountyida.com)

November 6, 2023

Susan Drescher  
Schroon Lake Motel & Cabins  
726 US Route 9  
Schroon Lake NY 12870

Dear Susan:

Thank you for your correspondence dated November 2, 2023 regarding the proposed Payment In Lieu Of Taxes (PILOT) Agreement for the Lodge at Schroon LLC.

Below please find the information you requested:

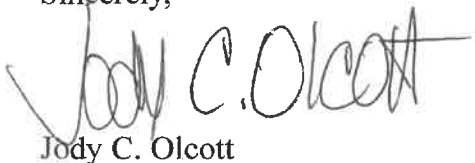
1.
  - A. No, the Essex County IDA only provided sales and use tax exemption and mortgage recording tax abatement.
  - B. Sales and use tax exemptions = up to \$575,000  
Mortgage recording tax abatement = \$178,748
  - C. The Ground Lease was recorded in the Essex County Clerk's Office on August 19, 2022 and expires on July 26, 2025 or earlier if such date is selected by the IDA.
2.
  - A. Lodge at Schroon LLC. is only requesting PILOT Agreement.
  - B. The project owners provided owner equity.
  - C. The original 2022 project approved by the Essex County IDA included: purchase of three identified parcels (147.13-2-2.000, 147.13-5-1.000 & 147.13-2-7.000), conversion of existing 160 rooms to overnight accommodations including 69 standard hotel rooms, 25 suites, 9 seasonal single-family chalets, 8 seasonal cabins and 10 glamping sites. Resort will also have stand-alone restaurant, indoor pool, fitness center, marina, mini golf and playground. Project will be using third party operator (Hay Creek Hotels) for hotel and restaurant.
3. State law provides that purchases of tangible personal property by the Agency or by an agent of the Agency, and purchase of tangible personal property by a contractor for incorporation into or improving, maintaining, servicing or repairing real property of the Agency, are exempt from sales and use taxes imposed pursuant to Article 28 or the Tax Law. This includes sales taxes applicable only to the initial acquisition, construction, reconstruction and/or equipping of each project with respect to which the Agency grants financial assistance. This exemption does not include utilities.



4. The soft costs submitted in the September 2023 application involve numerous line items under each of the following subcategories: Development Fees, Misc Engineering, Land Costs, Municipal Fees, Bank Finance & Closing Costs, Management/Operating Expenses, Marketing/Advertising. This total was submitted as a lump sum number \$6,865,221. These are many of the same line items as the previous application, but the application in February 2022 listed out multiple budget components totaling close to \$6,000,000. The difference between the February 2022 application and the application in September is the addition of the ballroom which accounts for an add of \$700,000 in softs costs plus additional change orders that took place during construction. This totals the \$6,865,221 noted in the application.
5. The numbers change due to operational aspect of the Lodge but the staffing plan from September from Hay Creek was: 26 full time hired positions, 11 part time hired positions, and 26 hired seasonal/ J'l's. In addition to these hired positions there are currently 22 open job positions, 3 of which should be counted as replacements for jobs that had been hired and now are open.
6. For 2024 the estimated bed tax is \$240,000. This calculation is 5% of total room revenue at \$4,803,000.

Thank you for your interest in this project. As noted the public hearing for this project will be held on November 14, 2023 at 10AM at the Town of Schroon. Your letter as well as this response will be included in the public hearing record.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jody C. Olcott", with a stylized flourish extending from the end.

Jody C. Olcott  
Co-Director & CFO

**SCHROON LAKE MOTEL & CABINS**  
**726 US Route 9**  
**Schroon Lake, NY 12870**  
**(518) 351-0165**

November 2, 2023

**Sent Via Email**

Essex County in the Park IDA  
Ms. Carol Calabrese, Co-Dir  
Ms. Jody Olcott, Co-Director

[ccalbrese@essexcountyida.com](mailto:ccalbrese@essexcountyida.com)  
[jolcott@essexcountyida.com](mailto:jolcott@essexcountyida.com)

Dear Ladies:

I have been advised that questions regarding the proposed PILOT application by The Lodge on Schroon LLC be directed to the Essex County IDA.

I want to be sure that I understand the documents that are posted on the IDA's website regarding this most recent application and that you will be able to answer my questions.

- The Lodge filed a Joint Application for Financial Assistance, dated February 10, 2022.
- As indicated in your letter to the Supervisor and Board of the Town of Schroon, the Schroon Lake CSD and the Essex County Board of Supervisors, dated October 3, 2023, in February 2022 the IDA approved a "straight-lease" arrangement to The Lodge at Schroon... and as amended for the purpose of financing the cost of a certain project."
- The Lodge filed a second Joint Application for Financial Assistance, dated September 19, 2023.



A few of my questions are as follows:

1. The “straight-lease” signed in February 2022, did the IDA provide additional funds towards the project in addition to the \$409,000 sales tax exemption and the \$178,748 mortgage tax abatement? Or, did the IDA provide additional monies? What are the monetary terms of this lease and how long is the lease for?
2. In your October 3<sup>rd</sup> letter it states The Lodge is asking for financing. Is The Lodge only asking for a PILOT agreement? Or, is the IDA amending the straight lease agreement in order to finance the difference between what Community Bank financed (\$19,962,000) and the new total cost of the Project which is now at \$25,414,938? Didn’t the original \$21-\$25 million renovation include all phases of the project?
3. Will the IDA also give The Lodge utility exemptions?
4. What are the specific “soft costs” mentioned in both applications? I know soft costs include the utilities, insurance, fees, and services, but in February 2022 they are listed at \$1,815,000 and in September 2023 they are listed at \$6,865,221.
5. Regarding employment. The Lodge has had a large turnover in recent months and not just the H-2b workers who will be returning in November. Finding and retaining employees is hard for many businesses throughout the country. What is the current number of permanent full-time and part-time employees? How many are local? When you say local, do you mean they live in Schroon Lake or in surrounding communities?
6. Has anyone been provided with the estimated revenues that The Lodge used to calculate their estimated bed tax and sales tax? As a motel owner who pays the 5% county bed taxes, The Lodge would have to earn approximately \$9,750,000 in room rentals alone to pay their estimated \$485,000 in bed tax for 2024. The \$9.75 million in revenue doesn’t even include the income from the two restaurants and bars, the gift shop or wedding venue. With \$9,750,000+ in income they should be able to make their \$1,910,881 payroll, pay their mortgage, sales and bed taxes,

full property taxes, insurance, utilities, advertising and other miscellaneous expenses. They could also put money aside for future renovations.

The main winter attractions include skiing, snowmobiling and ice fishing. The season may be good if the weather is cooperative. However, once summer ends tourism drops off considerably for all businesses in Schroon Lake. That is why many businesses close for the winter. We may get some skiers, but only from the overflow from the motels closer to Gore and Whiteface. To say that The Lodge doesn't have a negative impact on local businesses is incorrect. We all know that the room rates at The Lodge vary nightly and significantly during peak season. Our motel rates are the same every day, no matter what time of year, but recently The Lodge's website has rooms as low as \$126 for some nights. I understand that is being competitive, but it makes a big difference when the playing field isn't level. I could reduce my rates if I was given a \$4.1 million grant or had a property tax exemption.

I really do hope The Lodge does well, I like Andrea and Alan, but I don't understand why their project has to be completely finished and expanded upon in such a short period of time using taxpayer dollars.

I look forward to hearing from you soon. I will let you know if I have any more questions.

Thank you.

Susan Drescher

**Roger Friedman**  
**PO Box 115, Schroon Lake, NY 12870**  
**friedman50@hotmail.com**  
**518-796-5470**

### **THE PILOT FOR THE LODGE**

You know when you're old if you remember some of the very large old hotels in Schroon Lake: Scaroon Manor, Edgewater, McNell's and Watchrock which accounted for accommodating more than over 1,000 guests. For me as a youth, the grand Leland Hotel had already burned down for the 2<sup>nd</sup> time & the Brown Swan had just been purchased by the Word of Life.

Before the Northway anyone going north or south of us had to pass through the Town – definitely a chamber of commerce dream. After the Northway opened it was as if the Town was by-passed and a slew of lodging facilities closed and over time others fell into disrepair.

I had the opportunity to head up the Destination Master Plan (2008) and the Townwide Revitalization Strategy (2018). Both focused on the many attributes of the Schroon Lake Region but highlighted the glaring lack of tourist accommodations. We always considered Schroon Lake to be a resort town, yet we had no resort!

More recently new owners have done an amazing job of bringing back some of the older motels: Adirondack Inn, Blue Ridge Motel, Rowe's Cabins, Schroon Motel & Cabins and Trail Break - all have had a positive impact on the local economy.

The sale and huge reinvestment in the former Word of Life Lodge, now the Lodge at Schroon is the resort the Town has been lacking. We should all want it to succeed!

A flat NO answer to the PILOT proposal would be a big mistake. For the record, hotels in particular are long term infrastructure investments until they begin to turn a profit and that is one of the positive roles of a PILOT. This is true for hotels and many industries where costly plants must be built.

The Schroon Town Board has the ability to negotiate a plan that can be a win-win for all parties.

First of all, the issue of water & sewer units must be agreed upon according to the Town's formula. That should be non-negotiable.

Second, the starting incoming taxable amounts should be at least at the level that Word of Life was paying to the Town in their PILOT which was about \$26,000+. Special districts such as EMS, Fire, Highway and Schroon Lake Park District should be paid in full.

Third, the agreed upon term for the PILOT can be 5, 10, or more years. Perhaps 10 works the best.

Even with the PILOT, the Lodge will have a huge impact on sales tax and bed tax for the County that will also find its way back to our community. In addition, in the off season the Lodge hopefully will offer to community residents use of the pool and other facilities as well as provide a base for cultural events.

The benefits to the Town of Schroon are multifaceted. We want and need the Lodge at Schroon to be successful. After so many years, Schroon Lake is now again a resort town!

 Delete  Archive  Report  Reply  Reply all  Forward  Read / Unread 


Proposed PILOT Hearing for The Lodge, LLC



JF John Fear <john.e.fear@gmail.com>  
To: Jody Olcott; Carol Calabrese




    ...

Mon 11/6/2023 6:49 AM

 PILOT Hearing Notes.docx   
22 KB

Good Morning. My name is John Fear and I am a resident and business owner in the Town of Schroon Lake. Since I won't be able to attend the public hearing in person, I wanted to share my thoughts and questions on the upcoming meeting concerning Public Hearing on the Proposed PILOT Hearing for The Lodge, LLC, on November 14th.

I would ask that, once you've had the chance to read through the attachment, that you take the time to either respond by email or you can give me a call at 860.334.6424.

 Reply  Reply all  Forward

# Questions Regarding the Proposed UTEP Deviation by Essex County IDA for The Lodge, LLC

While it is clear how the approval of this UTEP Deviation will benefit the developers of The Lodge, LLC, it is *unclear* how the factors considered for the deviation will benefit the overall development of the community. It also does not appear as though the IDA has considered the negative residual impact to small businesses that have invested their own money in the *“industrial development”* of the community and having to compete for dining and lodging revenues with an entity that has been given an operating cost advantage. The following are a number of questions I would ask the members of the IDA Board to shed additional light on:

1. **Revitalization Project of 2018** – what are the specific areas of the Project that you believe that the PILOT Program will positively impact? Is the Lodge planning on adopting a number of the elements that the Project sees as revitalizing the community to help offset the loss of tax revenues that would have support the *“town government that has an exceptional record of maintaining their public spaces”* and *“a well-funded school that is transforming the school into a 21<sup>st</sup> century academic leader in the region”*?
2. **Seasonal Utilization of the Property** – what is the projected occupancy rate for the non-peak season (October through May) as well as the special events and staffing for that period?
3. **Economic Multiplying Effect** – how is this be different from any other existing business? For example, Seagle Music Colony economically supports lodging which support dining which support Stewarts, etcetera, etcetera. With many of its seasonal workers living and dining on The Lodge property, and the Brown Swan restaurant providing meals for guests, what are the anticipated multiplying ere appears to be minimal rather than multiplying impact on the community
4. **Permanent Private Sector Jobs** – what are the current employment numbers by month by position? If the project is meant to have the business as a year-round employer, what are the number of Management, Administrative, Production and Seasonal (part-time or full-time) employees by month?
5. **New Tax Exemptions** – what is this in reference to?
6. **Economic Tax Impact of PILOT Agreement** – what is the economic impact of the PILOT Agreement on the Town and School programs. **Note:** it would be unfair to compare to what was being paid by the Word of Life organization as they were a tax-exempt organization and should instead by compared to what a business similar to The Lodge would be assessed
7. **Impact on Existing and Proposed Businesses** – is this impact being balanced with not only the *additional* revenues from The Lodges’ guests dining and shopping in the area with the *loss* of revenues to existing lodging and dining businesses who are not receiving assistance on their taxes and property valuations? What consideration is being given to the impact on those individuals that have invested their own money in revitalizing local businesses who will now be adversely impacted by the reduced operating expenses this affords The Lodge, LLC?
8. **Private Sector Investment** – what specifically will this be and how will it be monitored?
9. **Impact on Environment** – what are the anticipated impacts – both positive and negative – on the local environment?
10. **Provision of Additional Services** – how will the tax revenues for these additional services required be impacted?
11. **Anticipated Tax Revenues** – what are the monthly sales and bed tax revenues anticipated?
12. **Provide a Benefit “not otherwise available”** – what are these and how will they benefit the municipality beyond what other businesses and organizations not receiving PILOT benefits are already providing?

# Questions Regarding the Proposed UTEP Deviation by Essex County IDA for The Lodge, LLC

## Additional Questions / Clarification / Comments

**Property Valuation:** how does the PILOT plan anticipate no additional increases in the valuation of the property over the 10-year timeframe when reportedly millions of dollars of investment have already been made to the property only valued at \$4,573,500? How is this fair to other property owners who will likely see double-digit increases in their valuations and tax payments over that same time period

**Construction Jobs / Project Costs** – what percentage of the jobs and costs are benefiting the local contractors / suppliers versus being brought into the area by the property owners?

**Project Without Agency Aid (page 11)** – questions concerning the viability of the project without the aid of the PILOT program

- **Service & Employment** – the statement that the PILOT is necessary to “*provide the level of service and employment a Resort of this nature demands*” poses the question of whether this is a viable business without extraordinary support. With over \$4.1 MM granted for the project purchase and now over \$350,000 in tax abatement granted, what consideration has the committee given to the overall long-term profitability of the project
- **Up-level the Project** – over the 10-year period, it appears as though significant improvements will be made and yet the property’s assessment remains the same?
- **Secondary and Tertiary Tax & Tourism** – what are the projected impacts that this will make to offset the tax relief provided through this deviation?
- **Marketing Effort Investments** – other than the self-promotion of lodging and dining at The Lodge, what are the proposed investments that will be made to support the Town of Schroon Revitalization Plan?

One final note would be that, scheduling a “public hearing” on a day and time that most residents are working sends a message that you are more interested in meeting the requirements for holding a public hearing rather than genuinely looking for feedback from the impacted residents.

 Delete  Archive  Report  Reply  Reply all  Forward  Read / Unread 

PILOT Proposal for The Lodge at Schroon LLC





 You forwarded this message on Sat 11/11/2023 2:33 PM

TS Town Supervisor  
To: Jody Olcott

Sat 11/11/2023 12:56 PM

 Letter to IDA - 111023.pdf   
94 KB

Hello Jody,  
Attached please find a statement from the Town of Schroon regarding the proposed PILOT agreement between the Essex County IDA and The Lodge at Schroon LLC.  
Thank you for your readiness to answer questions from our Town board and members of our community.  
Regard, Meg

Meg Wood  
Supervisor  
Town of Schroon  
(518) 532-7737 xt 11

 Reply  Forward



# TOWN OF SCHROON

PO Box 578, 15 Leland Avenue  
Schroon Lake, New York 12870

"A Town of Recreational Beauty"



Email - [supervisor@schroon.net](mailto:supervisor@schroon.net)

Office - (518) 532-7737

Fax - (518) 532-9474

Margaret C. Wood  
Supervisor

Patricia J. Savarie  
Town Clerk

Dana W. Shaughnessy  
Supt. of Highways

Town Council

Lynn Donaldson

Richard Gero

Ethan Thompson

Leanna Welch

November 10, 2023

Board of Directors  
Essex County Industrial Development Agency  
7566 Court Street – PO Box 217  
Elizabethtown, NY 12932

Via First Class Mail and Email  
to [jolcott@essexcountyida.com](mailto:jolcott@essexcountyida.com)

Jody Olcott, Co-Executive Director  
Essex County Industrial Development Agency  
7566 Court Street – PO Box 217  
Elizabethtown, NY 12932

Re: Proposed Deviation from Uniform Tax Exemption Policy by  
Essex County Industrial Development Agency  
in Connection with the Lodge at Schroon, LLC Project

Dear Board of Directors and Ms. Olcott:

I write to provide formal comment on behalf of the Town of Schroon Town Board in response to the notice we received from Ms. Olcott dated October 3, 2023. The Town Board is generally supportive of the Lodge at Schroon Project and is hopeful that it will provide a benefit to the Town and our community. However, we are aware that some residents of the Town have concerns over the terms of the Payment-in-Lieu-of-Taxes Agreement proposed by the Essex County Industrial Development Agency and the Lodge at Schroon. The Town Board shares some of these concerns as well.

We understand that the special district and special assessments will be paid in full based upon the actual assessed value as determined by the Board of Assessors and not based upon the \$4,573,500 assessed value proposed to be "locked-in" under the PILOT agreement for calculation of the PILOT payments. Ms. Olcott confirmed that special assessments and levies will be paid on the actual assessed value in a discussion we had last week. However, the Town Board feels that it is important that we state this understanding in writing to the ECIDA and make clear that the Lodge at Schroon is required to pay these special assessments in full based upon the actual assessed value. We object to any potential deviation as related to special districts and special assessments as we understand the ECIDA lacks authority to approve or enter into a PILOT agreement that includes tax relief for special assessments and levies.

Additionally, we urge the ECIDA to approve a payment PILOT schedule that does not include 100% relief from tax liability in years one and two. The Notice the Town Board received indicates that there will be 100% relief in years one and two with a graduated schedule culminating in five percent of relief in year ten. This appears to be consistent with PILOT payment relief "Schedule A" of the ECIDA's "Straight Lease Back Transaction Policy." We urge the ECIDA to instead approve a tax relief schedule consistent with "Schedule B" as set forth in your "Straight Lease Back Transaction Policy" and is as follows:

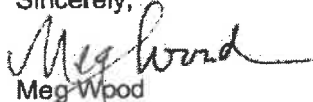
Schedule B:

Year 1 50%  
Year 2 45%  
Year 3 40%  
Year 4 35%  
Year 5 30%  
Year 6 25%  
Year 7 20%  
Year 8 15%  
Year 9 10%  
Year 10 5%.

If relief Schedule A is approved, it would result in approximately \$93,500 less in estimated total payments to the taxing jurisdictions - County, Town, School - than would result under Schedule B over the ten year period. The Town Board urges relief Schedule B to be adopted instead as we believe the developer would already be receiving a great benefit by locking the assessed value in at \$4,573,500 for purposes of calculating the PILOT agreement payments.

We thank Board for its consideration and urge you to adopt our recommendations in any PILOT agreement that may be approved.

Sincerely,

  
Meg Wood  
Supervisor  
Town of Schroon