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September 10, 2025

VIA EMAIL [PZCLERK@TOWNOFNEWLEBANON.COM]

Planning Board
Town of New Lebanon
14755 Route 22
New Lebanon, New York 12125

JUDSON K. SIEBERT
Principal Member
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Re: Tilden Project LLC (TM # 19.2-1-69)
Case No. PB 2025-015
Site Plan/Special Use Permit Application
538 Route 20 (Town Tax Map SBL 19.2-1-69)

Dear Members of the Planning Board:

As related in correspondence submitted to the New Lebanon Zoning Board of Appeals on August 29, 2025, Keane & Beane, P.C. has been engaged by the New Lebanon Central School District (“New Lebanon CSD”) in connection with the site plan and special use permit application of Tilden Commons LLC (the “Applicant”), which entails the development of project that includes forty-one (41) dwelling units (the “TC Project”).¹

We write to provide comments concerning the Planning Board’s evaluation of impacts associated with the Project under the New York State Environmental Quality Review Act (“SEQRA”). We do so because the Project will impact the New Lebanon CSD. Accordingly, the New Lebanon CSD requests that the Planning Board, as SEQRA Lead Agency, consider the following at its upcoming September 17, 2025 meeting.

We understand that the Planning Board intends to devote its September 17th meeting to a review of Part 2 of the Full Environmental Impact Form (“FEAF”) to be completed as part of this SEQRA review. While these comments address this FEAF Part 2 review, the New Lebanon CSD maintains that this exercise is not dispositive of the SEQRA decision-making process and, in this regard, anticipates that the Planning Board will not render a determination of the Project’s environmental significance until a public hearing on this application has been conducted. A hearing will elicit public

¹ This letter was likewise distributed to the Planning Board on August 29, 2025, and the New Lebanon CSD requests it be made part of the Planning Board’s site plan and special use permit application record for the Project.

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comments bearing upon the Project's impact that, in turn, will further inform the Planning Board's SEQRA review and determinations.

COMMUNITY IMPACT

Part 2 of the FEAF, Section 18.4, asks the SEQRA Lead Agency whether:

“The proposed action may create a demand for additional community services (e.g., schools, police and fire).”

The Project will unquestionably “create a demand for additional community services,” including additional demand upon the New Lebanon CSD, on account of the proposed construction of forty-one (41) new dwelling units. As a preliminary matter, the New Lebanon CSD faces significant budgetary pressures. Indeed, the initial defeat of its 2025-26 budget, which was tailored merely to maintain existing academic programs and extracurricular activities, is indicative to the fiscal headwinds presented. Therefore, the New Lebanon CSD asks the Planning Board to pay particular attention to school-related impacts.

The Planning Board must, in making its determination pursuant to SEQRA, consider the following three questions: (i) whether the Project will result in no significant adverse impacts on the environment; (ii) whether the Project could have a significant adverse impact on the environment; and (iii) whether the Project may result in one or more significant adverse impacts on the environment. In making this determination, the Planning Board must complete the FEAF Part 3 and set forth a written well-reasoned elaboration justifying its determination.

For the Planning Board to determine the environmental significance of the Project, it must consider the following as part of its evaluation of impacts upon community services:

1. **Number of Children:** The applicant must be required to perform an analysis of the number of school children expected to be generated by the residential component of the Project.
2. **Costs of Education:** The applicant must be required to perform an analysis of the cost of educating the projected number of children to reside in the residential component of the Project. An analysis of cost must also consider the overall financial burdens borne by the New Lebanon CSD, including the potential diminution of New York State education funding and its effect upon school resources.

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This is a task that lies with the Applicant, as the proponent of the Project. Nonetheless, the New Lebanon CSD is prepared to assist in obtaining an accurate assessment of the current condition of New Lebanon CSD's facilities, enrollment status, and budget, as well as the potential fiscal impacts of the Project upon the New Lebanon CSD (this will require the Applicant to provide a projection of the number of new students resulting from the 41 proposed units). This examination should focus not only on cost, but on the impact that additional budgetary pressures arising from the Project have upon New Lebanon CSD's staffing and programming.

FISCAL IMPACT

The New Lebanon CSD further expresses its concerns related to real property taxes and the long-term fiscal impacts of the Project. Namely, and still left unsaid, is whether the Project will be accompanied by real property tax incentives, including, an exemption and payment in lieu of taxes ("PILOT") agreement. As such, the SEQRA analysis to be undertaken by the Planning Board must examine this prospect, including the fiscal and tax impacts of a potential PILOT agreement and future PILOT income streams.

Although PILOT agreements generate revenues shared with the New Lebanon CSD, these agreements nonetheless have negative real property tax levy consequences (parenthetically, these levy impacts are borne by taxpayers within New Lebanon, Canaan, Chatham, Stephentown and Nassau). PILOT agreements and revenue can detrimentally impact school tax levies in three primary ways.

First, PILOT agreements (specifically, the underlying tax exemption) reduce overall taxable rateables against which school district taxes can be levied. This is the consequence of rendering otherwise taxable property exempt. Thus, while a PILOT agreement may produce revenue shared amongst affected taxing jurisdictions, the underlying exemption "shrinks the pie" of taxable assessments. In short, PILOT agreements shift the tax levy burdens onto the owners of non-exempt parcels and increase tax rates.

Second, with this exemption, taxing jurisdictions (such as the New Lebanon CSD) lose the ability to include a "growth factor" reflecting the "quantity change" in taxable property values as part of their tax cap computations. This factor is based upon physical changes to taxable property – such as new development – that can be added to an allowable levy in the first year after the value of the change is reflected on an assessment roll. This growth factor is wholly eliminated when new development is rendered tax exempt.

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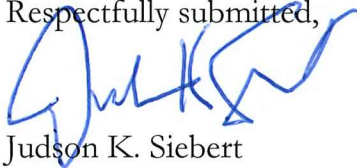
Third, under the tax cap formula, annual PILOT revenues received by the New Lebanon CSD must be subtracted from its tax cap calculation. This has the effect of reducing the overall amount of taxes the New Lebanon CSD may levy.

Lower levies can lead to unsavory budgetary choices, including using fund balance reserves, to the extent they exist, to support a district's expenditure budget and/or reducing expenditures with a potential impact upon programs for students.

In sum, PILOT agreements can have a real and direct consequence for staff, students and programming offered by the New Lebanon CSD. The Planning Board's SEQRA analysis and ultimate determination, as memorialized in its eventual written determination, must account for and examine these issues.

In closing, the New Lebanon CSD supports development in the Town of New Lebanon. Nevertheless, the New Lebanon CSD maintains that the taxable treatment of any and all new development should result in the equitable sharing of the New Lebanon CSD's tax levy amongst all taxpayers and not hinder its budgetary needs. Notwithstanding these concerns, should a PILOT scheme be proposed for the Project (or any proposed development within the Town), the New Lebanon CSD must be part of these negotiations.

Respectfully submitted,



Judson K. Siebert

JKS/dy
Enclosure

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