

SUPPORTING SETTLEMENT OF TAX CERTIORARI PROCEEDINGS BETWEEN TOWN OF ULSTER AND THE OWNER OF TECH CITY, AUTHORIZING DELAY OF ENFORCEMENT PROCEEDINGS PENDING PAYMENT IN ACCORDANCE WITH SUCH SETTLEMENT, AND EXTENDING TIME FOR TOWN OF ULSTER TO REPAY THE COUNTY FOR EXCESS TAXES

Chairman Gerentine offers the following:

WHEREAS, the Town of Ulster and the ownership of Tech City have conducted legal proceedings concerning the assessed value of Tech City properties for the years 1999-2004 and,

WHEREAS, during the pendency of such proceedings unpaid taxes have accrued and the County has, therefore, instituted supplemental proceedings for enforcement, which supplemental proceedings have been held in abeyance until the Town and Tech City could resolve the dispute over the assessed values for the properties, and

WHEREAS, a settlement has been reached which reduces the assessments of the Tech City properties so that, as reduced, and after credit being given for all refunds there will be approximately \$2.85 million in taxes due and payable and this amount will be paid in two equal installments, one on or before December 31, 2004, and the second on or before May 31, 2005, and

WHEREAS, the County of Ulster has advanced and paid to the Town the Town taxes as computed on the basis of the original assessments which are now to be reduced by this settlement, so that the Town must repay to the County the excess taxes which were advanced, and

WHEREAS, as part of the settlement, the County would defer its enforcement proceedings pending payment of the foregoing installments of past due taxes and the taxpayer would also be required to pay in a timely fashion 2004-2005 school taxes and 2005 general taxes as they become due, and

WHEREAS, if enforcement becomes necessary by reason of non-payment the County may auction the properties of AG Properties, LLC, either through sale by the Sheriff or County Treasurer and without the County taking title by foreclosure, and such properties may be sold separately or as a whole as may be required to raise sufficient funds, and

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WHEREAS, it is further provided by such settlement that until the tax arrearage is paid, none of the properties now owned by AG Properties, LLC may be sold or transferred except for fair market value to a bona fide purchaser and then only if the net proceeds of sale are paid to the County to reduce any taxes owed, and

WHEREAS, the settlement provides that unless transfer of the properties of AG Properties, LLC is made to a bona fide transferee for fair market value, AG Properties, LLC and any successor shall remain a resident of Ulster County for purposes of tax enforcements under the Real Property Tax Law, and

WHEREAS, the Ways and Means Committee has met and reviewed said request with a majority of the members voting approval.

RESOLVED, that the County Legislature supports the settlement of the tax certiorari proceeding between the owners of Tech City and the Town of Ulster as outlined above and as more fully described in the stipulation of settlement, a copy of which is filed with the Clerk of the Legislature, and

FURTHER RESOLVED, that the County shall hold in abeyance any enforcement proceeding unless the owners of Tech City shall fail to make any payments required under the terms of the stipulation of settlement and in such case the County shall then proceed to sell such properties of AG Properties LLC as necessary to satisfy payment of any tax arrearage created by such non-payment and pursue any other remedies as may be necessary and available to obtain payment, and

FURTHER RESOLVED, that the Town of Ulster shall reimburse the County for any excess taxes advanced by the County to the Town above the amount required to be paid as calculated under the reduced assessments over a period of eight years at an interest rate of 3% per annum on unpaid balances from the time of advance until payment is made in full,

and moves its adoption.

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ADOPTED BY THE FOLLOWING VOTE:

AYES: 29

NOES: 0

(Abstain: Legislator Maloney)

(Absent: Legislators Aiello,
Hyatt, and Stoeckeler)

FINANCIAL IMPACT:
RECEIPT OF TAX REVENUES

0929