

CITY OF KINGSTON

Office of the Mayor

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Steven T. Noble
Mayor

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Mayor Noble Details His Support for the Kingstonian Public/Private Partnership

KINGSTON, NY – Mayor Steven T. Noble would like to provide the public with an update regarding the Kingstonian project and its current application before the Ulster County Industrial Development Agency.

“The Kingstonian project is of great importance to our City – not only will it bring desperately needed housing stock to our community, along with much-needed parking, the hotel and retail spaces will bring visitors and tax revenue,” said Mayor Noble. “The developers have committed to paying a living wage for all new jobs created to operate the apartments, hotel and garage complex, and the public plaza will be a welcomed addition to Uptown. A PILOT for this project will have no negative tax implications, only positive!”

Background: In 2016, the City of Kingston was awarded the Downtown Revitalization Initiative (DRI) grant from New York State in the amount of \$10 million, and in preparation, created a [Strategic Investment Plan](#), which was prepared by a panel of community members along with City staff and local officials. The plan sought to address several critical issues that were negatively affecting the Stockade District. One of those was parking, which remains one of the biggest issues in Uptown Kingston.

In implementation of that plan, the City of Kingston issued an RFQ (request for proposals) from qualified developers to design, construct, and operate a transformative multi-use development on three separate parcels owned by the City of Kingston to provide housing units, commercial and retail space, and public parking. The Kingstonian plan, which includes a 420-car parking structure, came directly from this community-developed grant application and is now a priority DRI project. With the addition of 143 units of housing, the Kingstonian also addresses a dire housing shortage, with 10% of those units designated for affordable housing. A total of 14 units will be completely subsidized by the developers without any other state or federal subsidies.

The 420-car parking structure will cost an estimated \$17 million to build, and the Kingstonian will be responsible for all operation and maintenance costs for the life of the project at an annual cost of approximately \$268,000. The City of Kingston will have the use of 277 parking spaces at zero cost to the taxpayers. If the City were to build the parking structure, the estimated municipal cost for 25 years is \$30,000,000, more than \$1.2 million a year.

According to the [2008 Uptown Transportation Study](#), conducted by the Ulster County Transportation Council, “Over 95 percent of the people who park on-street sometimes have difficulty finding parking, while about 75 percent on those who park off-street have difficulty. Survey responses indicate that the critical on- and off-street parking periods are weekday mornings and middays. It should be noted that this survey was conducted just prior to the 317-car parking area being torn down more than a decade ago, and the problem has far worsened with fewer spots now available.

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The City of Kingston currently pays no taxes on the land used for public parking. Because the Kingstonian will be built on that property, there will be absolutely no loss of any tax revenue to any jurisdiction (City, County or School). Under the PILOT, for the portion of the property currently owned by the developers, they will pay all current property taxes plus 3% annual increase for length of PILOT (\$1,077,408 over 25 years), with no new PILOT sought after its termination. If the Kingstonian is more profitable than projected, the developers will share 3% of the additional profit with the taxing jurisdictions at a rate proportional to the current tax rate.

The Kingstonian plans also include 32 hotel rooms and 8,000 square feet of commercial space. Sales tax revenue from these ventures is estimated to provide the City of Kingston with a direct increase of \$19,000 based on our current sales tax sharing formula. Additionally, based on the economic impact studies, the result will be a \$4.6 million dollar boost to our economy.

“The value of this project for Kingston is enormous. If the City were to build a parking structure of this scale and magnitude, it would cost taxpayers millions of dollars,” said Mayor Noble. “With the tax revenue generated from the new businesses, new resident spending in our community, and over 150 new jobs created, the positive ripple effects from this project will be felt in nearly every aspect of our quality of life in Kingston.”

If this project does not proceed under the current scenario, the parking lot will remain at its current capacity, there will be no new jobs, no new sales tax revenue, no affordable housing units, and the private property associated with this project will continue to pay the current taxes.

Mayor Noble urges the community to support this project: “Our local economy has suffered a major setback with the pandemic. It will be vital in our recovery to get our economy back on track so that the City can continue to have resources to invest in public safety, infrastructure, waterfront revitalization, parks and recreation and quality of life. These are the aspects that make or break a City and we want Kingston to not only survive this economic downturn, but to thrive. I believe the Kingstonian project will help us achieve all of our shared goals as a City.”

Beyond the public parking, the design includes a pedestrian plaza, which will be open to the public. At the request of the Uptown business community, the project will include public bathrooms, which will be maintained and operated by the developer.

In addition to the commercial value the project brings, the developers want to have a positive impact on the local school system. The project will contribute \$5,000 annually over a ten-year period to create a scholarship fund, and will offer two paid internships to mentor high school students in the hospitality and real estate fields.

The Payment in Lieu of Taxes Agreement will be discussed at the Common Council’s Special Finance Committee meeting on Tuesday, July 28 at 6:30pm. Log-in details for the meeting can be found at www.kingston-ny.gov.