

Legoland developer applies for 30 years in tax breaks



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The developer of the proposed \$500 million Legoland amusement park in Goshen has applied for a 30-year payment-in-lieu-of-taxes agreement from the Orange County Industrial Development Agency.

In its application filed on Thursday, the Merlin Entertainments Group also asks for a sales tax exemption totaling \$13.5 million, and an unspecified mortgage tax exemption. It does not calculate the value of its proposed property tax agreement. The application states the current taxes paid on the 523-acre site total \$91,185.

The 30-year duration of the requested PILOT is unusual. Most projects get agreements that phase in taxes over a decade or so.

By contrast, the \$900 million CPV power plant in Wawayanda has a 22-year PILOT, including two years for construction. The \$1.3 billion Empire Resorts casino project in Sullivan County was granted a 20-year PILOT, but that project also carried hefty "host" payments to the municipalities and state licensing fees.

PILOTS typically only cover new construction. Taxes paid beforehand on undeveloped land continue to be paid.

Town of Goshen Supervisor Doug Bloomfield said he couldn't discuss the requested PILOT until reviewing the IDA application with the Town Board. The town owns a small portion of the proposed Legoland site. Bloomfield said those parcels are "well lots," and details for their sale still need to be addressed.

"We're not that far along yet," he said.

Legoland plans to build its amusement park on 153 acres, with rides, theaters, restaurants, a hotel and parking. An aquarium may be added later. Overall, about 70 buildings totaling 620,000 square feet will be constructed. The park would be staffed with about 500 full-time workers and 800 part-time ones, according to the IDA application.

The company intends to use \$350 million of bank financing, and expects to receive a \$6 million state grant.

The town Planning Board will hold a "scoping session" on July 21 that's a prelude to an environmental assessment of Legoland's anticipated impact.

"Anyone with a concern or question should be there," Bloomfield said. "That's the meeting to come to and speak up about traffic or water or noise, whatever it is, because it will have to be addressed by the applicant."

Goshen attorney Michael Sussman, who's been advising a group opposed to Legoland, said the town was rushing the process. Before looking at the potential environmental impact, he said, the town needed to decide whether to rezone the property to a generic amusement park zone.

Most of the property, which contains open fields, woods and wetlands, is zoned residential.

"This is a train way off the tracks, way out of control," Sussman said.

He was also critical of the 30-year PILOT.

"Any company coming here claiming to be a good neighbor, the first thing they do is ask for tremendous tax breaks," Sussman said. "It's a subsidy for the very wealthy."

Orange County Partnership CEO Maureen Halahan didn't think it was out of line to seek a three-decade property tax agreement.

"I don't know what they're saying to the IDA, but I know it's not completely out of character for a tourist destination of this caliber – the number two in the world – to ask for long-term PILOTS," Halahan said. "This is a long-term commitment they're making, but it all depends on what the IDA wants to do."

Laurie Villasuso, the IDA chief operating officer, said the IDA will have its first meeting with Merlin Entertainments at 2 p.m. Wednesday. The meeting will be at The Accelerator at 4 Crotty Lane in New Windsor. A day later, on Thursday, Legoland will have an open house from 3 to 8 p.m. at the Palacio Catering and Conference Center, 1700 Route 17M, Goshen.

Villasuso said that while the IDA may accept the application Wednesday, it cannot act on it until the project completes the environmental review process. The IDA also holds public hearings in municipalities affected by proposed tax breaks.

Merlin Entertainments' local attorney, Dominic Cordisco, could not be reached for comment on Friday.

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