TOWN OF DRESDEN

WASHINGTON COUNTY, NEW YORK

From Lake George to Lake Champlain

CHPE, PILOTs, Host Benefits, and Tax Caps: A Plan for Long-Term Tax Stabilization in Dresden

Prepared by Charlie Tall, Town Supervisor · September 13, 2026

We're about to have some significant changes in our tax picture here in Dresden. I'm using this document to explain them in broad terms, with round numbers, so everyone, Board and public alike, can understand what's happening at a top level. The real figures, with their decimal points and payment schedules, get their own treatment later, in the detailed budget planning work with the Board. Once the shape of this is clear, those real numbers won't be a surprise to anyone, they'll just be filling in a picture people already understand.

Three Things Happening at Once

Three separate things are landing on the Town's books right now.

First, we're about to start receiving a Payment in Lieu of Taxes — a PILOT — tied to a large energy infrastructure project running through town, the Champlain Hudson Power Express, or CHPE. The deal was negotiated by the Warren Washington County Industrial Development Agency, the county body that offers this kind of tax arrangement to attract projects like this one, and I sit on that agency's board. The PILOT starts at roughly $100,000 in its first year and grows gradually from there.

Second, alongside that PILOT, the same project comes with a separate Host Benefit Package — a community payment of roughly $370,000, arriving on the same schedule as the PILOT but not a PILOT payment itself.

Third, the project increased the assessed value of taxable property in Dresden. The state assigns this kind of utility infrastructure what's called a franchise value. Here, that adds roughly $20 million to our tax rolls, taking us from about $400 million in total taxable property to about $420 million, a 5% increase. The project itself didn't bring any local jobs with it.

None of this happened because anyone's house or land became more valuable. It's new and separate from everything already on the books.

What's new	Roughly how much	What it actually is
PILOT payment	~$100,000 in Year 1, growing over time	A negotiated payment in place of ordinary property tax
Host Benefit Package	~$370,000 in Year 1	A separate community payment, on the same schedule as the PILOT
CHPE franchise assessment	~$20 million added to the tax roll	A state-assigned increase in taxable value, from ~$400M to ~$420M

What a PILOT Actually Is

A PILOT is a payment a project makes to the Town instead of ordinary property taxes, negotiated up front and separate from how the rest of the tax roll works. It doesn't get run through our tax rate, and it isn't spread across other property owners the way a normal assessment would be. It just shows up as its own line of revenue, fixed, though increasing, by agreement rather than by our own annual budgeting.

These payments run for 30 years, and what happens after that isn't settled yet. The property may revert to being fully taxed at its assessed value, or the terms may end up renegotiated or contested at that point. We don't know for certain, and I don't think we need to solve it today, but it's exactly the kind of thing worth planning for now, while we still have three decades of room to build something that cushions the Town when that revenue eventually changes shape, rather than scrambling for it in year twenty-nine.

The Two Forces Pushing Your Tax Bill Down

Your property tax bill comes from one simple formula: take the total amount the Town needs to raise, the levy, and divide it by the total taxable value of everything in town, the base. That gives you a rate, and your bill is just that rate applied to your own property's assessed value.

Two things are pushing that rate down right now.

The first is a bigger base. With $20 million in new taxable value on the rolls, the same levy gets divided across more property, and everyone's rate drops a little, automatically, even if the Town collects the exact same total dollar amount it collected last year. On its own, using this year's round numbers, that's roughly a 5% drop in the average tax bill.

The second is the PILOT. It has nothing to do with raising anyone's tax rate, so if the Town credits that payment against what needs to be raised from existing property owners, bills fall further still — on its own, roughly another 10%.

Both forces point the same direction, which is down, for existing property owners, and together they could lower bills by something like 15%. Under almost any plan here, taxes go down, so the real choice in front of the Board is how much of that decrease to hand back immediately, and how much to set aside to invest in where the Town is headed.

Two Paths Forward

Using the round numbers from the start, a $1 million levy last year, a $100,000 PILOT this year, and the base growing from $400 million to $420 million, here's what that choice looks like.

One option, call it the full pass-through, would have the Town apply the entire PILOT payment as a credit against what it needs to raise, then spread that smaller number over the larger base. Worked through, that lowers the average tax bill by something like 15%, starting right away. It's the most immediately generous option on the PILOT, and the tradeoff is narrower than it might look: the roughly $370,000 Host Benefit Package isn't affected by this choice either way. What full pass-through actually gives up is the additional $100,000 that invest-and-stabilize would add on top of it.

The other option, call it invest and stabilize, holds the levy itself essentially flat and treats the PILOT as genuinely new money rather than a credit. Combined, the levy and the PILOT come out to roughly a 10% increase in what the Town has to work with — which, on its own, sounds like a tax increase. But because that increase is funded by new outside revenue and a bigger base rather than by raising anyone's rate, the average tax bill still falls, just by less, something like 5% instead of 15%. That extra $100,000 gets added to the roughly $370,000 Host Benefit Package instead of going out the door as tax relief.

	Full pass-through	Invest and stabilize
Available town funds (levy + PILOT)	Same as last year	~10% higher
Average tax bill	~15% lower	~5% lower
PILOT added to the Host Benefit money	No	Yes — adds ~$100,000/year

Either way, existing property owners pay less than they did last year, and either way, the roughly $370,000 Host Benefit Package is already there for the Town to use. Invest-and-stabilize just means the PILOT adds another $100,000 to it, instead of all of it going out the door as tax relief.

What "Breaking the Cap" Actually Means

New York caps how much a town's levy can grow year to year without extra action, typically around 2%. The invest-and-stabilize path would put us over that limit on our own, so the Board would need to formally vote to exceed it, which state law allows with enough support on the Board.

Voting to exceed the tax cap sounds like a tax increase, and in the narrow sense of the total levy, it is. What matters more is what happens to any individual property owner's bill, which falls either way, so the vote really comes down to how much of that built-in decrease gets banked right now versus invested for the future.

Where the Extra Money Would Go

This part is still conceptual, nothing here is decided. The Host Benefit Package, roughly $370,000 a year, comes to the Town with no strings attached, so the Town is free to use it however it chooses. What the Board will actually be deliberating over is that choice, building a comprehensive plan, over many years, to make the best use of it for the Town's future rather than spending it piecemeal. That holds regardless of which path the Board picks on the PILOT, since the Host Benefit was never part of anyone's tax bill to begin with. For illustration, imagine splitting it roughly in half: about half toward a Highway Department capital plan, and about half into a dedicated Tax Stabilization Fund. The highway side would cover things like a new garage, a truck replacement schedule, and safety improvements, phased in over roughly the next ten years rather than added to the operating budget all at once.

If the Board chooses invest-and-stabilize on the PILOT, that comprehensive plan gets bigger still: the additional $100,000 joins the same two buckets instead of going out as immediate tax relief. Under full pass-through, the plan runs on the Host Benefit alone, roughly $370,000 rather than $470,000 a year.

The thinking behind the fund is simple. Money set aside and allowed to build for a long stretch, something on the order of fifteen years, could eventually grow large enough that its own returns help hold future levies down permanently, independent of any one project's PILOT payments. Done properly, and within the legal requirements for how towns may hold and use reserve funds, that turns a temporary revenue event into something lasting rather than a one-time bump.

The exact split and the exact pace are decisions the Board still has to weigh.

Planning Ahead for Year Thirty

Because the PILOT runs for 30 years, it's tempting to treat this as a future Board's problem. But a stabilization fund built patiently over the years in between is aimed directly at that future point, the goal being that by the time this revenue changes shape, the Town isn't relying on it to hold taxes down anymore. Starting a plan now, thirty years before the PILOT's termination date, is what makes that kind of cushion possible.

The Bottom Line

Available town funds go up. Existing property owners' tax bills go down. Those aren't in conflict — they come from the same new revenue and the same larger tax base, just applied differently. The real decision in front of the Board is how much of a genuine, built-in decrease to pass through right away, and how much to invest in the Highway Department today and in a fund that could help keep Dresden's taxes low for a long time to come.

	Last year	This year, invest-and-stabilize path
Available town funds (levy + PILOT)	$1,000,000	~$1,100,000
Taxable base	$400,000,000	$420,000,000
Average tax bill	Baseline	~5% lower