

# DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

## UNIFORM TAX EXEMPTION POLICY

The general policy of the Industrial Development Agency is to grant applicants real property tax abatements equal to that provided pursuant to §485-b of the N.Y. Real Property Tax Law as well as full exemption from sales and mortgage recording taxes. The Agency considers the following factors in making the determination whether to grant the exemption, no single one of which is determinative:

1. The nature of the business of the proposed project (e.g., manufacturing, office, retail).
2. The nature of the property before the project begins (e.g., vacant land, vacant buildings).
3. The economic condition of the area at the time of the application.
4. The impact of the proposed project on existing and proposed businesses and economic development projects in the vicinity.
5. The extent to which a project will create or retain permanent, private sector jobs.
  - a. Number of permanent jobs to be created
  - b. Anticipated job growth
  - c. Part-time jobs created
  - d. Seasonal jobs created
6. The impact on services and the extent to which the proposed project will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency, medical or fire services.
7. The effect of the proposed project upon the environment.
8. The amount of private sector investment generated or likely to be generated by the proposed project.
9. The likelihood of accomplishing the proposed project in a timely fashion.
10. The percent of exemptions provided and the period of exemption.
  - a. Real property taxes (real property tax abatements apply to the increased value of the project only)
  - b. Sales tax
  - c. Mortgage tax

11. The impact of the project and the proposed tax exemptions on affected tax jurisdictions.
12. The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts in which the project is located.
13. The extent to which the proposed project will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the project is located.
14. The demonstrated public support for the proposed project.
15. Amount of recapture of real property tax abatements through PILOT agreements.
16. Recapture of lost revenues if goals are not met will be addressed through PILOT agreements.

When there is a deviation from the uniform tax exemption policy, the agency shall set forth, in writing, the reasons for the deviation and shall notify the affected local taxing jurisdictions or the proposed deviation and the reasons thereof.

### **Criteria for Considering Enhanced Real Property Tax Abatements For IDA Applications**

The Dutchess County Industrial Development Agency may deviate from the above policy and grant enhanced real property tax abatement for specific projects satisfying the above criteria and, in addition, will consider the size of the project, number of employees, type of operation and the prospects to generate income and revenue through payroll and sales tax to the extent that it will offset any loss in real property taxes.

The enhanced abatement will be provided on the increased assessed value attributable to the improvements resulting from the proposed project. However, current property tax levels already in place will continue to be paid on an existing building.

The proposed enhanced abatement would consist of a ten-year abatement on the increase in assessed value with 100 percent abatement on the improvements the first year and decreasing 10 percent each year over the ten-year period (90% abatement in the second year, 80% abatement in year three, 70% abatement in the fourth year, etc.).

The IDA will consider providing the enhanced abatement based upon the guidelines above (1 – 15) and below (1 – 3). The guidelines are not necessarily in priority order. Each project will be reviewed on a case by case basis in determining whether such a project is eligible for the added incentive.

1. The enhanced abatement may be limited to specific types of projects such as manufacturing, back office operations, research and development, corporate/administrative headquarters. Warehousing facilities may be eligible depending on the amount of employment involved.

2. Jobs; for example, number and type of jobs created and/or retained by the project.
3. Uniqueness – For example, the project is located in a distressed area; project provides amenities for the public; project is supported by the community; has a unique economic benefit to the economy; etc.

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*Re-adopted 1/19/2017*