

MINUTES

Dutchess County  Industrial Development Agency

3 Neptune Road, Poughkeepsie, NY 12601
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BOARD OF DIRECTORS REGULAR MEETING

Wednesday, April 10, 2019

Present: Charles Daniels III
Tim Dean
Mark Doyle
Kathleen Bauer
Stacey Langenthal
Don Sagliano

Unable to Attend: Alfred Torreggiani

Also Present: Sarah Lee, Executive Director
Marilyn Yerks, CFO
Jasmin Haylett, Office Administrator
Donald Cappillino & Elizabeth Cappillino, Counsel
Mary Kay Vrba, Dutchess Tourism
Martin Berger, EFG Saber
Joe Kirchhoff & John Hettinger, Eastdale Village/MHTC

On Wednesday, April 10, 2019, the Dutchess County Industrial Development Agency [DCIDA] Board of Directors Meeting was called to order by Chairman Daniels at 8:02 a.m. Present was: Charles Daniels III, Tim Dean, Mark Doyle, Kathleen Bauer, Stacey Langenthal, and Don Sagliano. Unable to attend was: Alfred Torreggiani. Quorum was established.

CONFLICT OF INTEREST DISCLOSURES

Chairman Daniels asked board members if they had any potential conflicts with any items on the agenda. Chairman Daniels and Mr. Sagliano noted they have a conflict with the Eastdale Village/MHTC Project.

PROOF OF MEETING NOTICE

Meeting notice was published on April 4, 2019

BILLS AND COMMUNICATIONS

None

APPROVAL OF MINUTES

March 13, 2019

Chairman Daniels asked for a motion to approve the March 13, 2019 Minutes of the Dutchess County Industrial Development Agency.

A motion was made by Mr. Dean, duly seconded by Ms. Bauer to approve the DCIDA Board of Directors Meeting Minutes for March 13, 2019. All voted in favor. Motion carried.

REPORT OF THE TREASURER

A. Financial Report

Ms. Yerks reported on the 3/31/2019 Balance Sheet and Profit & Loss Budget

Balance Sheet

- Cash balance was \$3,946,911.83
- Outstanding on the balance sheet is money owed to DC Tourism and LDC

Profit & Loss

- Revenue was \$1,160,960.36
- PILOT payments were received and distributed

A motion was made by Mr. Dean duly, seconded by Mr. Sagliano to approve the 3/31/2019 financial report as presented. All voted in favor. Motion carried.

REPORTS OF COMMITTEES

None

UNFINISHED BUSINESS

- A. For Consideration and Approval of a Final Resolution concerning Phase I of the EFG/Saber Heritage SC, LLC Project (Town of Poughkeepsie) Authorizing a Lease and Project Agreement providing for a Mortgage Tax Exemption and Sales Tax Exemption for Phase I of the Project.

Mr. Cappillino noted a public hearing was held on April 9, 2019, no one from the public was present, and that this resolution is for Phase I of the project.

Mr. Berger shared that the project is proceeding well, thanked the board for their support and interest in the project, noted that this project would not be viable without support from the board and others, and that they are in the process of finalizing the site plan approval.

A motion was made by Mr. Dean, duly seconded by Mr. Sagliano to approve the Final Resolution concerning Phase I of the EFG/Saber Heritage SC, LLC Project (Town of Poughkeepsie) Authorizing a Lease and Project Agreement providing for a Mortgage Tax Exemption and Sales Tax Exemption for Phase I of the Project. All voted in favor. Motion carried.

- B. For Consideration and Approval of a Final Resolution concerning Phase II of the Eastdale Village Project (Town of Poughkeepsie) Authorizing a Lease and Project Agreement providing for the allocation of a portion of the Mortgage Tax Exemption and Sales Tax Exemption to Premier Eastdale, LLC and providing the PILOT Schedule for Phase II of the Project.

Chairman Daniels recused himself and left the room because his firm does business with the developers of Eastdale Village/MHTC. Mr. Sagliano recused himself because a related entity of his company does business with the developers of Eastdale Village/MHTC. Vice Chairman Dean presided over this portion of the meeting and introduced Joe Kirchhoff and John Hettinger, representatives of the project.

Mr. Cappillino noted a public hearing was held on April 9, 2019 and that no one from the public was present except the applicant.

Vice Chairman Dean noted that this project will receive mortgage tax and sales tax exemptions and be provided with a PILOT schedule for this phase.

A motion was made by Ms. Langenthal, duly seconded by Mr. Doyle to approve the Final Resolution concerning Phase II of the Eastdale Village Project (Town of Poughkeepsie) Authorizing a Lease and Project Agreement providing for the allocation of a portion of the Mortgage Tax Exemption and Sales Tax Exemption to Premier Eastdale, LLC and providing the PILOT Schedule for Phase II of the Project. All voted in favor. Motion carried.

C. For Consideration and Discussion of the application of the Local Workforce Policy for multi-phase projects.

Chairman Daniels noted that a few years ago the board adopted a Local Workforce Policy which would ensure that when large projects are approved certain requirement would be incorporated to allow a local workforce to be used for those projects.

Ms. Lee noted that based on a recent site visit by Ms. Yerks to one of the projects they realized that monitoring projects with multi-phases could potentially raise unintended issues. She noted the following:

- As benefits are approved and allocated to each phase, monitoring requirements are also allocated including the Local Workforce Policy.
- While in legal documents these phases are differentiated, physically they are not demarcated so workers in multi-phase projects are working in more than one phase of the project concurrently. This makes it difficult to monitor how much time each worker is spending on each phase and how to allocate that local workforce to the different phases.

Discussion ensued with questions, answers, comments, and suggestions

Question: Why does the project have to be kept by phases?

Answer: To allow the IDA the ability to recapture. A project that has a master agreement and a master organization is creating LLCs to have ownership over the phases. Although the benefits are accruing for each LLC eventually the project might not have any assets leftover to recapture.

Question: Is each phase a separate LLC?

Answer: Yes

Question: Who does the local workforce labor policy apply to?

Answer: The current policy is based on construction jobs and applies to companies receiving IDA benefits.

Question: Is it correct that every time a new LLC is brought in, the project is amended to incorporate them?

Answer: Yes

Question: If workers are going from Phase I to Phase II and those are owned by different entities, how are they being paid?

Answer: While the phases are owned by different LLCs, the same developer is doing the construction.

Suggestion: The language in the local workforce policy should be adjusted with respect to multi-year projects and multi-owner projects. For projects that will be amended because of the different owners, the local workforce policy should calculate the combined ownership interest with respect to the percentage of the local labor based on whatever time period the board decides.

Question: Are projects being monitored annually?

Answer: Currently, projects are being monitored monthly and reports to the board are quarterly.

Question: How are reports being done, under the main company or each new owner?

Answer: Reports would be done under the highest level. Doing it under each new owner would defeat the purpose.

Comment: The other area that poses a problem is the penalty. Although benefits can be revoked if there is a real property PILOT, this is not the case for projects with only sales tax and mortgage tax.

Suggestion: Since the penalty only applies to projects with PILOT agreements and not projects that only have sales tax and mortgage tax, the policy should be limited to PILOTs only.

Outcomes from the discussion:

- The Local Labor Workforce Policy will be amended to have it apply only to PILOTs
- When applying the local labor percentages for projects that increase and/or change ownership, the IDA will consider the project on a weighted average of the contract price
- The time frame to request a waiver and report to the board would be annually

NEW BUSINESS

- NYS Committee on Investigation and Government Relations Request
Ms. Lee informed the board that all the information was submitted to the Committee.
- Announcement
Chairman Daniels informed the board of the following:
 - Since the County Legislature is considering term limits for the Legislators, he received a call from Mr. Hicks suggesting that the IDA/LDC also consider adopting board terms of service.

Chairman Daniels agreed with this suggestion and at the May meeting an election will be held for a new slate for the remainder of 2019.

- Once a new Chair is appointed, Chairman Daniels will remain on the board as a member until a new member is appointed.
- It was suggested to the Legislature that board members serve three, 3-year-terms with periodic evaluations by the Legislature and after 1 year off the board that person would be eligible to return to the board.

ADIJOURNMENT

There being no further business, the meeting adjourned at 9:27 a.m.

Respectfully submitted,



Mark Doyle, Secretary/Treasurer

6/12/2019
Date

Meeting	<u>04-10-19</u>
Approved	<u>05-08-19</u>
Certified	<u>05-08-19</u>

Dutchess County Industrial Development Agency
Balance Sheet
As of March 31, 2019

	<u>Mar 31, 19</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 · Cash	
1100 · Checking M&T Bank	570,726.47
1151 · Money Market SBT	112,315.46
1152 · Money Market TD Bank	263,869.90
1160 · CD TD Bank	3,000,000.00
Total 1010 · Cash	<u>3,946,911.83</u>
Total Checking/Savings	<u>3,946,911.83</u>
Total Current Assets	<u>3,946,911.83</u>
Fixed Assets	
1390 · Furniture & Equipment	
1680 · Furniture & Equipment	3,115.81
1710 · Accumulated Depreciation	-3,115.81
Total 1390 · Furniture & Equipment	<u>0.00</u>
Total Fixed Assets	<u>0.00</u>
Other Assets	
1175 · Other Assets	
1310 · Prepaid Expense	1,094.33
Total 1175 · Other Assets	<u>1,094.33</u>
Total Other Assets	<u>1,094.33</u>
TOTAL ASSETS	<u><u>3,948,006.16</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · *Accounts Payable	840,143.59
Total Accounts Payable	<u>840,143.59</u>
Total Current Liabilities	<u>840,143.59</u>
Total Liabilities	<u>840,143.59</u>
Equity	
30000 · Opening Balance Equity	1,447,427.47
32000 · Unrestricted Net Assets	2,952,212.56
Net Income	-1,291,777.46
Total Equity	<u>3,107,862.57</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,948,006.16</u></u>

Dutchess County Industrial Development Agency Profit & Loss Budget vs. Actual January through March 2019

Ordinary Income/Expense	Jan - Mar 19	Budget	\$ Over Budget	% of Budget
Income				
4000 · Cash Revenues				
4020 · Administrative Fees	76,461.70	1,495,500.00	-1,419,038.30	5.1%
4030 · Application Fees	250.00	750.00	-500.00	33.3%
4035 · Compliance Fees	2,505.00	3,500.00	-995.00	71.6%
4150 · PILOT Payments	1,076,741.94			
4910 · Interest	5,001.72	1,500.00	3,501.72	333.4%
Total 4000 · Cash Revenues	1,160,960.36	1,501,250.00	-340,289.64	77.3%
Total Income	1,160,960.36	1,501,250.00	-340,289.64	77.3%
Expense				
6000 · Expenditures				
6240 · Audit	0.00	14,500.00	-14,500.00	0.0%
6260 · Dues, Publications, Subs	2,772.50	2,500.00	272.50	110.9%
6280 · Insurance	551.29	3,750.00	-3,198.71	14.7%
6350 · Misc	0.00	2,500.00	-2,500.00	0.0%
6450 · PILOT Payments	1,076,741.94			
6500 · Professional Service Contracts	1,364,500.00	2,102,500.00	-738,000.00	64.9%
6510 · Professional Services	7,032.50	10,000.00	-2,967.50	70.3%
6520 · Rent	996.00	1,000.00	-4.00	99.6%
6530 · Supplies	123.29	1,000.00	-876.71	12.3%
6550 · Travel & Meetings	20.30	2,500.00	-2,479.70	0.8%
Total 6000 · Expenditures	2,452,737.82	2,140,250.00	312,487.82	114.6%
Total Expense	2,452,737.82	2,140,250.00	312,487.82	114.6%
Net Ordinary Income	-1,291,777.46	-639,000.00	-652,777.46	202.2%
Net Income	-1,291,777.46	-639,000.00	-652,777.46	202.2%