

MINUTES

Dutchess County  Industrial Development Agency

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BOARD OF DIRECTORS REGULAR MEETING

Wednesday, October 9, 2019

Present: Tim Dean, Chairman
Mark Doyle, Vice Chairman
Stacey Langenthal, Secretary/Treasurer
Kathleen Bauer
Jamie Piccone II
Don Sagliano
Al Torreggiani

Also Present: Sarah Lee, Executive Director
Marilyn Yerks, CFO
Jasmin Haylett, Office Administrator
Donald Cappillino & Elizabeth Cappillino, Counsel
Chris Glancy, Director of BA
Renee Richard, Director of BR & E
Joe Kirchoff, John Hettinger, Gene Sneeringer & Sandra Rossi (Rossi Eastdale)
Tom Mulroy (Bellefield)
Debra Lamback, Craig Grybowski, & Wilson Rugal (Shop-Rite Supermarkets)

On Wednesday, October 9, 2019, the Dutchess County Industrial Development Agency [DCIDA] Board of Directors Meeting was called to order by Chairman Dean at 8:03 a.m. Present was: Tim Dean, Mark Doyle, Kathleen Bauer, Stacey Langenthal, Jamie Piccone II, Don Sagliano and Al Torreggiani. Quorum was established.

CONFLICT OF INTEREST DISCLOSURES

Chairman Dean asked board members if they had any potential conflicts with any items on the agenda. Ms. Lee noted that Ms. Langenthal and Ms. Bauer will need to leave the room prior to Ms. Yerks' RFP report.

PROOF OF MEETING NOTICE

Meeting notice was published on October 3, 2019

BILLS AND COMMUNICATIONS

None

APPROVAL OF MINUTES

September 11, 2019

Chairman Dean asked for a motion to approve the September 11, 2019 Minutes of the Dutchess County Industrial Development Agency.

A motion was made by Mr. Doyle, duly seconded by Ms. Langenthal to approve the DCIDA Board of Directors Meeting Minutes for September 11, 2019. All voted in favor. Motion carried.

REPORT OF THE TREASURER

A. Financial Report

Ms. Yerks reported on the 9/30/2019 Balance Sheet and Profit & Loss Budget

Balance Sheet

- Cash balance was \$4,601,909.56
A large portion of this cash balance is due to PILOT payments.

Profit & Loss

- Revenue was \$4,740,446.24

A motion was made by Mr. Sagliano, duly seconded by Mr. Torreggiani to accept the 9/30/2019 financial report as presented. All voted in favor. Motion carried.

Update of RFP for CDs

Ms. Langenthal and Ms. Bauer left the room for this portion of the meeting.

Ms. Yerks noted that she sent RFP to 8 banks and the best rate came from Riverside for 365 days at 1.9% which is the bank she recommends for the CDs.

Question: Do you only bid for 1 year?

Response: Bids were asked for 30, 60, 90 days and for 1 year.

REPORTS OF COMMITTEES

A. Finance Committee - 2020 Budget

Ms. Langenthal noted that the Committee carefully considered the changes/additions to the budget based on information Ms. Lee and Ms. Yerks provided and recommends approving the budget as presented.

Ms. Lee noted that the Finance Committee met to review the 2020 proposed IDA budget and proceeded to explain the following line items from the 2020 Proposed Budget.

Revenues:

- *Administrative Fees* is based on anticipated fees projects in the lead pipeline
These projects are forecast to close next year. The fee is typically lower than what is forecast.
Typically about \$325,000 is forecast which is based on the average administrative fee revenue.

Expenditures:

- The *Professional Service Contract* includes contracts with the Dutchess County Local Development Agency, Dutchess County Tourism, and Hudson Valley Agriculture. The Professional Service Contract amount for Dutchess Tourism Inc. includes the additional \$10,000 for Hudson Valley Film. As a result the professional service contract amount with DTI will be \$425,000. The IDA contract amount with the LDC will be \$150,000. The professional service contract with Hudson Valley Agriculture will be \$25,000.
- The *Professional Services* includes estimated cost for services from Cappillino, Rothschild & Egan, LLP and video services related to the new regulation requiring video recordings of meetings and public hearings

A motion was made by Ms. Bauer, duly seconded by Mr. Sagliano to accept the 2020 IDA budget as presented and submit it to PARIS. All voted in favor. Motion carried.

UNFINISHED BUSINESS

None

NEW STAFF

Chairman Dean asked Ms. Lee to introduce the two new staff members of the LDC: Chris Glancy, Director of Business Attraction and Renee Richard, Director of Business Retention & Expansion.

NEW BUSINESS

- A. For Consideration and Approval of a Final Resolution concerning Phase II-B Facility 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 previously granted to MHTC Development, LLC to Rossi Eastdale, LLC and providing the PILOT Schedule for Phase II-B of the Project.

Representatives from the project proceeded to give a brief overview of the project, which entails the construction of a 2 story building with a basement.

A motion was made by Ms. Langenthal, duly seconded Mr. Torreggiani to approve the Final Resolution concerning Phase II-B Facility 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 previously granted to MHTC Development, LLC to Rossi Eastdale, LLC and providing the PILOT Schedule for Phase II-B of the Project. All voted in favor. Motion carried.

- B. For Consideration and Approval of a Final Resolution concerning Subdivided Lots 2 and 3 of the Bellefield Inn 2018 Project (Town of Hyde Park) approving the partial assignment by T-Rex Hyde Park Owner, LLC to T-Rex/Shaner Hyde Park Hotel, LLC and TR Sewage-Works Corp. of a portion of its rights, title, interest and obligations under the Company Lease Agreement and Lease and Project Agreement and certain other agreements previously entered into in connection with the Bellefield Inn 2018 Project and authorizing an increase in the Mortgage Tax Exemption previously granted to T-Rex Hyde Park Owner, LLC and extension of the Completion Date for the Project to April 2021.

Ms. Lee noted that Mr. Mulroy is representing Bellefield and that what is being considered is transferring previously granted benefits to the T-Rex/Shaner Hyde Park Hotel, LLC and TR Sewage. In addition, T-Rex /Shaner Hyde Park Hotel LLC is asking for additional mortgage tax exemption due to increased cost of construction and a time extension for the sales tax exemption expiration.

Question: How much is the revised cost?

Response: The original project cost was \$30 million, the revised project cost is now \$34.2 million and the mortgage is an additional \$2.7 million.

A motion was made by Mr. Sagliano, duly seconded by Mr. Doyle to approve the Final Resolution concerning Subdivided Lots 2 and 3 of the Bellefield Inn 2018 Project (Town of Hyde Park) approving the partial assignment by T-Rex Hyde Park Owner, LLC to T-Rex/Shaner Hyde Park Hotel, LLC and TR Sewage-Works Corp. of a portion of its rights, title, interest and obligations under the Company Lease Agreement and Lease and Project Agreement and certain other agreements previously entered into in connection with the Bellefield Inn 2018 Project and authorizing an increase in the Mortgage Tax Exemption previously granted to T-Rex Hyde Park Owner, LLC and extension of the Completion Date for the Project. All voted in favor. Motion carried.

- C. For Consideration and Approval of a Preliminary Resolution concerning Shop-Rite Supermarkets, Inc. (Town of Poughkeepsie), a tenant of EFG/Saber Heritage SC, LLC, for a Sales Tax Exemption to construct an approximately \$12,750,000 grocery store at the Hudson Heritage Project site.

Ms. Lee introduced Ms. Lamback and proceeded to inform the board of the following:

- Shop-Rite Supermarkets is asking the board to consider and approve sales tax benefits for the construction of a supermarket at the Hudson Heritage site.
- The board approved sales and mortgage tax benefits to Hudson Heritage earlier this year. At that time Hudson Heritage did not secure a supermarket for the site. Since then, Hudson Heritage negotiated and identified Shop-Rite as the supermarket to occupy the site but realized that the sales tax benefit originally granted to Hudson Heritage was no sufficient to construct the supermarket.
- The supermarket will create 130 FTE jobs which is part of the 309 jobs Hudson Heritage originally estimated

Question: Is there any plan that this will be replacing another store in Dutchess County?

Response: No, this is a brand new store.

Question: How many of the 130 FTE is full-time versus part-time?

Response: Approximately 40 will be full-time.

A motion was made by Mr. Torreggiani, duly seconded by Ms. Bauer to approve the Preliminary Resolution concerning Shop-Rite Supermarkets, Inc. (Town of Poughkeepsie), a tenant of EFG/Saber Heritage SC, LLC, to induce a Project providing for a Sales Tax Exemption for an approximately \$12,750,000 project for construction of a grocery store to be part of the Hudson Heritage Project. All voted in favor. Motion carried.

ADJOURNMENT

There being no further business to discuss, a motion was made by, duly seconded by to adjourn the meeting. All voted in favor. Motion carried. Meeting adjourned at 8:43 a.m.

Respectfully submitted,



Stacey Langenthal, Secretary/Treasurer



Date

Meeting	<u>10-09-19</u>
Approved	<u>11-13-19</u>
Certified	<u>11-13-19</u>

Dutchess County Industrial Development Agency

Balance Sheet

10/03/19

As of September 30, 2019

Accrual Basis

	Sep 30, 19
ASSETS	
Current Assets	
Checking/Savings	
1010 · Cash	
1152 · Money Market TD Bank	2,588,160.94
1155 · CD1- Riverside	251,829.89
1156 · CD2 - Riverside	1,761,918.73
Total 1010 · Cash	4,601,909.56
Total Checking/Savings	4,601,909.56
Total Current Assets	4,601,909.56
Fixed Assets	
1390 · Furniture & Equipment	
1680 · Furniture & Equipment	3,115.81
1710 · Accumulated Depreciation	-3,115.81
Total 1390 · Furniture & Equipment	0.00
Total Fixed Assets	0.00
Other Assets	
1175 · Other Assets	
1310 · Prepaid Expense	2,133.01
Total 1175 · Other Assets	2,133.01
1600 · Escrow Deposits	
1601 · Cricket Valley Escrow Deposit	1,676,278.63
Total 1600 · Escrow Deposits	1,676,278.63
Total Other Assets	1,678,411.64
TOTAL ASSETS	6,280,321.20
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · *Accounts Payable	1,889,500.80
Total Accounts Payable	1,889,500.80
Total Current Liabilities	1,889,500.80
Long Term Liabilities	
2300 · Escrow Deposit Liability	
2301 · Cricket Valley Escrow Deposit	1,676,278.63
Total 2300 · Escrow Deposit Liability	1,676,278.63
Total Long Term Liabilities	1,676,278.63
Total Liabilities	3,565,779.43
Equity	
30000 · Opening Balance Equity	1,447,427.47
32000 · Unrestricted Net Assets	2,954,042.45
Net Income	-1,686,928.15
Total Equity	2,714,541.77
TOTAL LIABILITIES & EQUITY	6,280,321.20

Dutchess County Industrial Development Agency

Profit & Loss Budget vs. Actual

January through September 2019

	Jan - Sep 19	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Cash Revenues				
4020 · Administrative Fees	389,245.09	388,933.00	312.09	100.1%
4030 · Application Fees	500.00	750.00	-250.00	66.7%
4035 · Compliance Fees	2,505.00	2,505.00	0.00	100.0%
4150 · PILOT Payments	4,304,771.52			
4910 · Interest	43,424.63	40,000.00	3,424.63	108.6%
Total 4000 · Cash Revenues	4,740,446.24	432,188.00	4,308,258.24	1,096.8%
Total Income	4,740,446.24	432,188.00	4,308,258.24	1,096.8%
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	2,628.61	3,750.00	-1,121.39	70.1%
6350 · Misc	1,298.95	2,500.00	-1,201.05	52.0%
6450 · PILOT Payments	4,304,771.52			
6500 · Professional Service Contracts	2,102,500.00	2,102,500.00	0.00	100.0%
6510 · Professional Services	10,415.00	10,000.00	415.00	104.2%
6520 · Rent	996.00	1,000.00	-4.00	99.6%
6530 · Supplies	335.91	1,000.00	-664.09	33.6%
6550 · Travel & Meetings	1,655.90	2,500.00	-844.10	66.2%
Total 6000 · Expenditures	6,427,374.39	2,140,250.00	4,287,124.39	300.3%
Total Expense	6,427,374.39	2,140,250.00	4,287,124.39	300.3%
Net Ordinary Income	-1,686,928.15	-1,708,062.00	21,133.85	98.8%
Net Income	-1,686,928.15	-1,708,062.00	21,133.85	98.8%

Dutchess County Industrial Development Agency

IDA	2018 Audit	2019 Amended Budget	2019 Estimated EOY	2020 Proposed Budget
Revenues:				
1 Administration Fees	508,393	388,933	429,000	218,750
2 Application Fees	2,000	750	750	750
3 Compliance Fees	2,000	2,505	2,505	3,507
4 Interest	74,865	40,000	40,000	30,000
Total Revenue	587,258	432,188	472,255	253,007
Expenditures:				
5 Audit	0	14,500	14,500	14,500
6 Dues, pub, sub	0	2,500	2,773	3,000
7 Insurance	1,220	3,750	3,750	3,750
8 Misc/Other	0	2,500	1,000	2,000
9 Professional Service Contracts	590,000	2,102,500	2,102,500	600,000
10 Professional Services	10,006	10,000	10,750	20,000
11 Rent	950	1,000	996	1,000
12 Supplies	1,325	1,000	500	1,000
13 Travel & Meeting	948	2,500	500	2,500
Total Expense	604,449	2,140,250	2,137,269	647,750
Excess Income /Expense	(17,191)	(1,708,062)	(1,665,014)	(394,743)

	2018 Actual	2019 Amended Budget	2019 Estimated EOY	2020 Proposed Budget
9 <u>Professional Service Contracts</u>				
LDC	150,000	601,500	601,500	150,000
DTI	415,000	1,476,000	1,476,000	425,000
HV Agri	25,000	25,000	25,000	25,000
	<u>590,000</u>	<u>2,102,500</u>	<u>2,102,500</u>	<u>600,000</u>
DTI	300,000	1,361,000	1,361,000	300,000
MidHudson Arts	100,000	100,000	100,000	100,000
HV Film	15,000	15,000	15,000	25,000
	<u>415,000</u>	<u>1,476,000</u>	<u>1,476,000</u>	<u>425,000</u>
10 <u>Professional Services</u>				
Video services		10,000	10,000	10,000
Cappillino, Rothchild & Egan, LLP				10,000

Dutchess County Industrial Development Agency 2020 Budget Narrative

Revenues:

1. *Administrative Fees* is based on anticipated fees projects in the lead pipeline.
2. *Application Fees* is based on 3 projects
3. *Compliance Fees* is based on 7 active projects that are subject to the fee
4. *Interest* is based on short term investment interest

Expenditures:

5. *Audit* is based on costs outlined in RBT's proposal.
6. *Dues, Publications and Subscriptions* includes a subscription to Center of Government Research (Cost Benefit program), shared membership with LDC to NYSEDC and web-domain fees.
7. *Insurance* is the Crime Bond for the IDA
8. *Misc/Other* include costs for transcription services for project hearings
9. The *Professional Service Contract* includes contracts with the Dutchess County Local Development Agency, Dutchess County Tourism, and Hudson Valley Agriculture. Dutchess Tourism Inc. has requested an additional \$10,000 to go to Hudson Valley Film due to increased work they have been experiencing. The professional service contract amount with DTI will be \$425,000. The IDA contract amount with the LDC will be \$150,000. The professional service contract with Hudson Valley Agriculture will remain the same at \$25,000.
10. The *Professional Services* includes estimated cost for services from Cappillino, Rothchild & Egan, LLP and video services related to the new regulation requiring video recordings of meetings and public hearings.
11. *Rent* is the IDA's shared cost of the storage unit
12. *Supplies* is an estimated cost of supplies
13. *Travel and meeting* is based on an estimated costs.

Dutchess County Industrial Development Agency

Paris 5 Year Budget

Year: 2020

	Last Year (Actual) 2018	Current Year (Estimated) 2019	Next Year (Adopted) 2020	Proposed 2021	Proposed 2022	Proposed 2023
Operating Revenues:						
Charges for services	\$512,393	\$432,255	\$223,007	\$227,467	\$232,016	\$236,657
Rentals & Financing Income	\$0	\$0	\$0	\$0	\$0	\$0
Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0
	<u>\$512,393</u>	<u>\$432,255</u>	<u>\$223,007</u>	<u>\$227,467</u>	<u>\$232,016</u>	<u>\$236,657</u>
Nonoperating Revenues:						
Investment earnings	\$74,865	\$40,000	\$30,000	\$30,000	\$30,000	\$40,000
State Subsidies / Grants	\$0	\$0	\$0	\$0	\$0	\$0
Federal Subsidies / Grants	\$0	\$0	\$0	\$0	\$0	\$0
Municipal Subsidies / Grants	\$0	\$0	\$0	\$0	\$0	\$0
Public Authority Subsidies	\$0	\$0	\$0	\$0	\$0	\$0
Other Non-Operating Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds From The Issuance of Debt	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$587,258	\$472,255	\$253,007	\$257,467	\$262,016	\$276,657
Operating Expenditures:						
Salaries and Wages	\$0	\$0	\$0	\$0	\$0	\$0
Other Employee Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Professional Services Contracts	\$600,956	\$2,102,500	\$614,500	\$615,000	\$615,000	\$615,000
Supplies and Materials	\$1,325	\$500	\$1,000	\$1,000	\$1,000	\$1,000
Other Operating Expenses	\$2,168	\$34,269	\$32,250	\$40,000	\$41,000	\$42,000
Nonoperating Expenditures:						
Other Non-Operating Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Total Expense	\$604,449	\$2,137,269	\$647,750	\$656,000	\$657,000	\$658,000
Excess Income /Expense	(\$17,191)	(\$1,665,014)	(\$394,743)	(\$398,533)	(\$394,984)	(\$381,343)
Professional Service Contracts						
LDC	\$150,000	\$601,500	\$150,000	\$150,000	\$150,000	\$150,000
DTI	\$415,000	\$1,476,000	\$425,000	\$425,000	\$425,000	\$425,000
HV Agri	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
RBT	\$0	\$14,500	\$14,500	\$15,000	\$15,000	\$15,000
	<u>\$590,000</u>	<u>\$2,117,000</u>	<u>\$614,500</u>	<u>\$615,000</u>	<u>\$615,000</u>	<u>\$615,000</u>
Projected Y/E Fund Balance	4,428,272	2,763,258	2,368,515	1,989,982	1,574,999	1,193,655