

## March 23, 2020 IDA Special Meeting Transcript

**Tim Dean:** I'm here. All right, so I think the first thing would be to take a roll call. Is that correct?

**Sarah Lee:** Yes, we have roll call and so Kathy Bauer can you unmute?

**Kathy Bauer:** Yes. I'm here. Sorry.

**Sarah Lee:** That's okay. Kathy Bauer, Tim Dean

**Tim Dean:** Here

**Sarah Lee:** Mark Doyle

**Marilyn Yerks:** He's on mute

**Mark Doyle:** I'm here

**Sarah Lee:** Mark Doyle, Stacey Langenthal

**Stacey Langenthal:** Here

**Sarah Lee:** Jamie Piccone

**Jamie Piccone:** Here

**Sarah Lee:** Don Sagliano

**Don Sagliano:** Here

**Sarah Lee:** Al Torreggiani

**Al Torreggiani:** Here

**Sarah Lee:** Thank you. After roll call is conflict of interest disclosure.

**Tim Dean:** Yes so if anybody has a conflict of interest in any of the items on the agenda, if you could please let us know. And state what the conflict is. Does anybody have one? Okay. I finally found the agenda. And this is for the IDA meeting correct, Sarah.

**Sarah Lee:** Correct

**Tim Dean:** Okay. All right. So, the next item on the agenda is an approval of the...well, I'm sorry, Sarah, there was a proof of meeting notice published, correct?

**Sarah Lee:** Correct

**Tim Dean:** Okay do we have any minutes that we need to approve?

**Sarah Lee:** Yes

**Tim Dean:** Oh, I'm sorry. I was going ahead. Are there any bills in communications that we need to discuss?

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**Sarah Lee:** No

**Tim Dean:** Okay, minutes of the last meeting. Does anybody have any amendments or changes or corrections to the minutes from the last meeting? Okay, if not, I would take a motion from somebody to approve the minutes.

**Don Sagliano:** I'll make that motion.

Al Torreggiani: Second

**Sarah Lee:** Actually, Don and Al, can you say your name first and then make the motion and then second.

**Don Sagliano:** Don Sagliano, I move to accept the minutes of the January 8, 2020 meeting.

**Tim Dean:** Okay, excellent

**Al Torreggiani:** Al seconds that motion

**Tim Dean:** Thank you, Al. Okay, so we will have to do a roll call vote. Sarah, do you want to call up the names?

**Sarah Lee:** Sure, Kathy Bauer

Kathy Bauer: Approved

Sarah Lee: Tim Dean

**Tim Dean:** Approved

**Sarah Lee:** Mark Doyle

**Mark Doyle:** Approved

**Sarah Lee:** Stacey Langenthal

**Stacey Langenthal:** Aye

**Sarah Lee:** Jamie Piccone

**Jamie Piccone:** Approved

**Sarah Lee:** Don Sagliano

**Don Sagliano:** Aye

**Sarah Lee:** Al Torreggiani

**Al Torreggiani:** Approved

Sarah Lee: Thank you

**Tim Dean:** Thank you all. Okay the next item of business is a report of the treasurer, Marilyn.

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**Marilyn Yerks:** Good Morning. You don't have this report as the paper copies were ready to be distributed this morning. So I'm going to email it to you right after the meeting. Since we don't need to accept it. It's not an issue. I'm just reporting. So let me go over the balance sheet for you. We currently have \$3.4 million. That's more cash than we generally have because those amount includes the pilot payments that came in. All of the pilot payments came in on time and in full. They already went out first week in March. So they're still showing up on our balance sheet for February 29 but the next week they are gone. Our accounts payable is at \$189,000 for the IDA, \$150,000 of that is due to the LDC and we have the audit that is also due from that amount. There is nothing else on the balance sheet unusual. On the P&L... Again, the only thing that's showing up that's interesting are the pilots that came in and went out. We're at a 379,000 net loss which is exactly where we're budgeted for. We're budgeted for \$394,000 loss. At the moment, does anyone have any questions?

**Tim Dean:** And you'll send out the...

**Marilyn Yerks:** As soon as we get off here, I'll send it out.

**Tim Dean:** Okay, there's no approval necessary that was just the report, correct?

**Marilyn Yerks:** Yes

**Tim Dean:** Thank you. All right we also have on the agenda finance and audit discussion and approval of the 2019 audit. Are we prepared to do that today?

**Sarah Lee:** Yes so I would, um, Kathy

**Kathy Bauer:** Yes

**Sarah Lee:** Would you like to give the report?

**Kathy Bauer:** The Finance Committee met with our accountants RBT CPAs, Linda Hannigan and she went through the audit with us. There was no significant findings or unusual transactions. She said the management and staff of the agency was very forthcoming. Everything that they requested, they received. She didn't see any material weaknesses or significant deficiencies with the agency. For the IDA, one note that we asked her to clarify and put into the audit was the IBM did not execute the lease agreement and as we had anticipated and as they had first indicated, which is shown in the numbers between the 2018 total net position and the 2019 net position going down \$1,678,000. And that she also noted in the report, that in May of 2019, the conduit debt obligation law was approved and is supposed to go into effect on December 31, 2021. And we are already doing that, so two years in advance.

**Tim Dean:** Okay does anybody have any questions about that report? There was a copy of the draft in our packets, is that correct?

**Sarah Lee:** Yes

**Marilyn Yerks:** I'd like to make one comment. The audit went very smoothly. They were only here at the office for one day. But this is the third year of our three year contract. So we will be putting this out to bid in the fall.

**Tim Dean:** Okay when we do that, are we required to change firms or if the current firms is competitively ... is the competitive bidder, are we allowed to use the same firm?

**Marilyn Yerks:** Yes

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**Tim Dean:** Okay. That's not because I had any opinion on it. I was just curious. Okay we need to have an approval of the audit, right?

**Sarah Lee:** Correct

**Tim Dean:** Okay so if I could ask for someone to wave their hand that's willing to make a motion to approve the audit.

**Mark Doyle:** I'll move to approve the audit.

**Tim Dean:** Okay

**Sarah Lee:** Mark if you could state your name and then make the motion.

**Mark Doyle:** This is Mark Doyle, I'll move to approve the motion as stated in the draft report.

**Don Sagliano:** This is Don Sagliano, I second.

**Tim Dean:** Thank you, Don. Okay Sarah I'll ask you to take a roll call vote.

**Sarah Lee:** Sure, Kathy Bauer

**Kathy Bauer:** Aye

**Sarah Lee:** Tim Dean

**Tim Dean:** Yes

**Sarah Lee:** Mark Doyle

**Mark Doyle:** Yes

**Sarah Lee:** Stacey Langenthal

**Stacey Langenthal:** Aye

**Sarah Lee:** Jamie Piccone

**Jamie Piccone:** Yes

**Sarah Lee:** Don Sagliano

**Don Sagliano:** Yes

**Sarah Lee:** Al Torreggiani

**Al Torreggiani:** Yes

**Sarah Lee:** Thank you

**Tim Dean:** Thank you, everybody. Okay the next thing is on the agenda is unfinished business. Sarah is there any unfinished business?

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**Sarah Lee:** No

**Tim Dean:** Okay, that allows us to move on to new business. And that brings us to consideration and approval of a preliminary resolution for 23-28 Creek Drive LLC, City of Beacon, to induce a project providing for a mortgage tax exemption, sales tax exemption and a payment in lieu of taxes for an approximately \$8,700,000 project for construction and redevelopment at 23-28 Creek Drive, the former City of Beacon Public Works garage to construct a mixed use project consisting of 15,000 square feet of residences and 20,000 square feet of commercial space. So, Sarah, how would you like to kick this off?

**Sarah Lee:** So I'll give a brief description and then I'll hand it off to representatives of the applicant as well as their tenant, and I'll have them announce themselves after I make my presentation.

Tim Dean: Thank you

**Sarah Lee:** So as Tim said, this project is for 23-28 Creek Drive. It is currently a city owned property. The applicant proposes to build a mixed use building on the site. It was identified by the City of Beacon as the project developer to build according to the RFP, they had issued back in 2016. The applicant is going to be using silver LEED building standards to build the building, as well as create public space and extend the Greenway trail along Fishkill Creek. The applicant has also identified a tenant, this tenant is a software development company that plans to bring approximately 63 of their current employees as well as expand to an additional 87 after two years of project completion. So with that, I'm going to turn it over to Tina who is joining us. Tina, if you could just introduce yourself, state your full name and talk about project.

**Tina Anderson:** Good morning, everyone I'm Tina Anderson Belfie Director of Operations and mostly handling this application.

**Sarah Lee:** To state for the record, the applicant is coming for our standard a pilot formula, as well as sales and mortgage tax exemptions.

**Tina Anderson:** Yes, that is correct.

**Sarah Lee:** So is there any questions for the applicant? We also have Tina, or Thomas or Paul, I don't know if you want to introduce yourselves?

**Thomas Schneck:** Sure. My name is Thomas Schneck. I'm one of the co-founders and have been co-president of Docuware for 30 years and yeah, I've been involved for about two and a half years, in the site search for a new location for a new headquarter for all U.S. operations. And we're happy today to answer any questions.

**Paul Remington:** And this is Paul Remington, Chief Financial Officer and head of HR in New Windsor. Overall I've been with the company for about six years and have worked very closely with Thomas over the last couple years also looking for our new corporate office.

**Sarah Lee:** And then Eoin, would you like to introduce yourself?

**Eoin Nichols:** Sure, I am Eoin Nichols, a partner with the law firm of Cuddy & Feder and we represent the applicant.

**Tim Dean:** Sarah, as far as any information or comments from municipalities involved with this project, can you comment on those?

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**Sarah Lee:** Yes, this city is supportive of the project. Again, it is in response to an RFP and they have been identified as the developer. So the City of Beacon is in support of the project. And I believe the school district as well because Docuware has been having conversations with the school district. And so the school district is in support of this project, just informally. We haven't had to seek formal approval from the school district because they are coming for our standard UTEP and we don't require that for our standard UTEP. But from my understanding the school district is supportive.

**Tim Dean:** And this is a preliminary approval, correct?

**Sarah Lee:** Correct

**Tim Dean:** So what are the next steps after we approve this? Could you just remind everybody what those would be?

**Sarah Lee:** So the preliminary approval allows the IDA to call for a public hearing. The next step would be to schedule a public hearing and then they will come back to the board for the final approval.

**Tim Dean:** Okay, so does anybody have specific questions about this project right now?

**Sarah Lee:** Looks like Mark may have a question.

**Mark Doyle:** Yes. I wonder if you could let us know what stage you're at whether you have obtained the parcel yet or do you know exactly what the situation is currently.

**Tina Anderson:** Okay, so currently, we're in contract with the City of Beacon. Part of that contract was that we obtained all of our approvals before the sale becomes final. Now that we have our approvals we are waiting on the Department of Health to sign off on projects, once that happens, we can then file and close on the property.

**Mark Doyle:** Thank you

**Al Torreggiani:** I have a question. Is the plan for the local labor policy going to be utilized on this because it seems like it's just under the threshold of \$10 million?

**Tim Dean:** Just for the record that was Al Torreggiani asking that question-a board member.

**Sarah Lee:** So, because they're under the \$10 million which is our threshold, they will not be subject to the local workforce policy.

**Al Torreggiani:** I haven't seen the documentation showing what is constructability or what type of construction it is to be able to be at \$8.7 million for the amount of work that seems to be going on there that's why I asked that question.

**Sarah Lee:** Tina, if you could respond to this.

**Tina Anderson:** So basically, the \$8.7 million or whatever it is, is all of the cost. That's land acquisition. That's all of our approvals. And then the construction on is going to be a steel concrete Class A with silver LEED equivalent standards. So with the construction, we basically get the standard, I believe, the 49,000 square footage of the building. And, you know, we're coming up with our numbers. And that's where we're at. The hard cost is approximately around \$6.5 or \$6.6 million. I don't have the numbers in front of me. I'm kind of limited with everything I have right now.

**Al Torreggiani:** Prior to final approval, will we be able to have access to see what your construction costs may turn out to be or estimated values?

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**Tina Anderson:** Well, we're working with what we have. So we don't have a full set of architectural plans yet out. It's hard for us to put exact numbers in because we have to put those kind of things out to bid. But we do have estimates and just from past experience, everything else that we kind of accumulate throughout development on our other properties, is where we're coming in with these numbers. And we're pretty confident with those numbers per square foot.

**Tim Dean:** Any other further follow up questions, AI?

**AI Torreggiani:** No, we'll keep going, thank you.

**Tim Dean:** Okay does anybody else have any questions about this project?

**Don Sagliano:** Tim, this is Don Sagliano I have extensive questions regarding this project. I don't believe at this time that this project is waiting for tentative approval. The representatives of the company are speaking ambiguous. Not able to qualify harder construction type clause. I think there's the fact that we're in a crisis situation here in New York State. I don't feel that we can give our full and fair valuation of the project, even if it's only for tentative. Again, that's my feeling and that's how I will be voting, thank you.

**Tim Dean:** Sure. Don do you have some specific questions that you would like to have answered?

**Don Sagliano:** Tim, unfortunately, I'm kind of limited with my IT capability, as you know that I had extended several questions that I shared among the board members and further questions that I shared with yourself and Sarah late Friday. Again, I just think that there's not enough information for me to make an informed decision.

**Tim Dean:** Okay, so maybe...

**Don Sagliano:** I'm sorry, excuse me. I can't recall the questions. I'm down to one screen. Perhaps if I'm able to get into my cell phone, I might be able to locate them. Does anybody else have any commentary or question, etc.? Maybe I can pull those questions back up.

**Tim Dean:** Yeah, I think it would be important to the applicant, either now or at some point that they be given the opportunity to be aware of your questions and concerns so that they can provide answers. Whether those answers are to your satisfaction or not. You know, that would be determined, but I think it is. It's important that they know what your questions and concerns are because otherwise they can't they can't answer them.

**AI Torreggiani:** Tim, I do have it on screen if you actually want to hear them.

**Tim Dean:** Sure, I think that'd be helpful.

**AI Torreggiani:** This one is from Don and I don't know the date like you said, but thank you for the resolutions information on a proposed required the 49,000 square foot allocated commercial 18,000 then in residential 15,744 what is the balance of approximately 15,000 square feet compromised of? That's question number one.

**Tim Dean:** Okay. Thomas, or is somebody on the line that could answer.

**Sarah Lee:** Tina would be able to answer that.

**Tina Anderson:** Sure, the breakdown is out of 49,000 square feet plus or minus square feet. And that's measured using interior dimension. The commercial space is a minimum of 18,700 and the residential 15,744. Again, these are plus or minus numbers. We don't have a solid set of architectural plans before us yet. So if you take the remainder 14,566 square feet that is allocated to the parking garage which is 12,243 square feet, it's an underground parking

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garage placed in and then the remaining area hallways, stairwells, bulkheads, and vegetables is approximately 2,687 gives you the total of 49,000 plus or minus. So it looks like what the confusion was, is that you only took the commercial space rentals, commercial space and the residential listings and added those two numbers together.

**Tim Dean:** Thank you, okay.

**Al Torreggiani:** You want to go to the next question?

**Tim Dean:** Unless there's questions from anybody about Tina's answer to the first one. Okay, number two.

**Al Torreggiani:** Please provide the schedule of phase out of the real estate tax exemption as proposed. That's something they could provide, I guess.

**Sarah Lee:** That's something that I do. There was the pilot schedule attached to the reply of my analysis. So it is based on an assessment provided by the City of Beacon that once this building is complete, the property value would be about \$6.9 million.

**Al Torreggiani:** Probably the same will also provide an estimated annual real property tax based upon the full build out of the building's improvements and the land.

**Sarah Lee:** Yeah, it's also included in that analysis.

**Al Torreggiani:** Has the applicant prepared a three year projection for additional expected employment over the base 87 jobs that will be relocated from Orange County and Danbury?

**Paul Remington:** I can talk to that. We have no jobs in Danbury. Currently, we have 90 employees for a document corporation, of which 66 are currently in New Windsor, New York. And between now, and in two years, we're expecting to add another 24 positions, 18 of those are looking to be in the professional services, the other, I'm sorry, nine have been special services, nine in support. And so the departments basically make up, they support our end users on issues with the product. And then professional services does the installation of the product throughout the country and throughout the Americas. And then we're expecting another eight to be in operations, which would be finance, HR, and inside sales.

**Al Torreggiani:** Okay and those will be located in the new building? Is that the plan?

**Paul Remington:** That's correct.

**Tim Dean:** Okay, so you have 66 in New Windsor now and you're hoping to get that up to?

**Paul Remington:** 90

**Tim Dean:** Okay, all right.

**Al Torreggiani:** Okay, lastly, I think it is eight residential units appear to have a projected \$3,000 a month rental. How does that compare with the current rentals in the city?

**Tina Anderson:** I'm sorry, part of that question skipped out.

**Al Torreggiani:** Okay. Eight residential units appear to have a projected \$3,000 a month rental. How does that compare with the current rentals in the city?



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**Tina Anderson:** So the way that I determined the rent is I took the market rate rents in comparable high buildings surrounding the area, I did an average and that's how I came up per square foot rental on the pro forma, that's what I use. Assuming we would get that. I mean, you never know. It's just a pro forma, it's an estimate. Again, the pro forma did not provide any kind of contingency. Like if we had vacancies for a period of time or if we ever did lose our commercial tenant or things like that.

**Tim Dean:** So can you give me an idea or give us an idea of the different size units that you have in there?

**Tina Anderson:** We have anywhere from I believe our smallest unit is permitted to be about 1,250 square feet and the largest, which we believe we obtained the variance for the two units being allowed to consist of 2,750. Again, once we come up with the final layout, some of those could be a little bit smaller, but we can't exceed the 2,750 regardless.

**Tim Dean:** Don Sagliano, you had a question?

**Don Sagliano:** Yes, I did. Tim. Perhaps counsel to the IDA can speak to the fact that these jobs are relocating from one county within New York to the adjoining county in New York. If there's any limitations with regards to New York State Empire State Development and job piracy.

**Don Cappillino:** Yes, this is Don Cappillino, the 862 paragraphs makes it clear that if you're that agency living inside of the statute say that the agency is not supposed to be trying to take jobs from another part of the state providing benefits, but there are two exceptions. One exception is that the project is reasonably necessary to discourage the project from removing such plant or facility to location outside the shape, or secondly, a reef is reasonably necessary to preserve the competitive position of the project occupant and its respective industry. One of those affirmations needs to be made clear. For final approval, the board needs to be satisfied that this is what's going on here. I mean, we've just heard and have to prove it to the satisfaction of the agents that they did-the company Docuware-a search for several years, and in the area, in both Orange County and in Dutchess County, and that this was the best that they could do within their budget. This is the one that works and claiming it's reasonably necessary to maintain its competitive position. That's up to the applicant to prove.

**Eoin Nichols:** Hi there, this is Eoin Nichols from Cuddy & Feder, Don, thank you for that. I would also like to add, I think in its two years search, the applicant was also considering moving out of state to New Jersey. I'm sorry, not the applicant, the tenant and I think that Docuware can speak to that if I'm incorrect about that.

**Thomas Schneck:** If you don't mind, just to give you a little bit of a history of our search and provide a little bit more background. What, you know, how we ended up here. Docuware, as you know, is a software company and in the software business, the biggest asset you really have as a company, are your people, it's all really a war for talent. You know, that's the most important for any software company. And we obviously are part of that exercise. Now we have had a really good run in Orange County for over 20 years. We are currently located in New Windsor at the airport. And the current building we're in is just too small. We are expanding, as Paul pointed out to close to 100 people probably more in the next couple of years. And so when we looked at our current location, we were just not able to fit all the people in there. So we started to look for new location, mid 2017. And first we looked actually in Orange County, we looked at a couple of facilities there, but didn't really find anything but also what was a big part of our consideration is that we know the next 20-30 years, most of our people we're going to employ will be millennials. And as you know, Millennials many times don't even want to have a car anymore. They really looking for public transportation. And so we said okay, if we are moving already. Let's look for a location where we have good access to public transportation. And that's obviously what was interesting now to look at touches because touches has the connection to the Metro North line. So we engaged in also with a couple of real estate broker and we looked at some locations we went up to Poughkeepsie we went obviously also to Beacon and looked at various locations there. But also because we, you know, really want to be accessible to as many people as possible. We also said, okay, if we have to move then we also have to widen our options to see if there are other ones as well. And so, we looked, also in New Jersey, specifically, we had management discussions if we should move. New Jersey as you know, Montvale is a very interesting location

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for two reasons. One, it has a lot of interesting office buildings. And second, it's connected also with the New Jersey Transit all the way into the city. So those were kind of our parameters when we looked at different ways and locations moving forward. But ultimately what we did is we focused in on Dutchess and specifically on Beacon for two reasons. One is we said if we move too far away from our window office, there's a chance that ultimately lose a lot of people. And secondly, when we looked at Dutchess, specifically in Poughkeepsie, at least locations we looked at in Poughkeepsie, they were too far away from the train stations, most of the office locations we were showing at least we're not in a distance reachable by foot or by train, sorry by bus. And so we said okay, Beacon is ideal, especially with the Beacon loop and or even walking distance. We focused on a location on Beekman Street in Beacon, which was great because it was in walking distance from the train station. This was beginning of 2018. And we, negotiated with that developer for almost a year. Ultimately, we had to walk away from this location because they couldn't hold the initial pricing and we were just too expensive for us. And that's when we started to engage with Rodney Webber and the team beginning of 2019 with a new location, which is also very attractive because now this one is connected with the Beacon loop. So it really checks all these boxes we're looking for, it's close to our current location, it's reachable by the train. And you know, it's a very reputable company. And so we started to negotiate with Rodney and team at the beginning of 2019 and had a lot of planning meetings with Beacon and a lot of other guys. And so like you said, now we are at a point where we can move forward, which, you know, we feel very comfortable with. So that's just the historic background, the last two and a half years how we ended up where we are today.

**Tim Dean:** Quick question for Don Cappillino, this is Tim Dean. Don is the requirement applicable to the owner of the property or to the tenant in regards to making the two exceptions?

**Don Cappillino:** If there were no tenant of this project, the project would not be considered. So the point is, this project has to show that it qualifies in order for the board to approve it.

**Tim Dean:** Okay other questions?

**Kathy Bauer:** This is Kathy, I'd be interested in seeing projections as to the multiplying effect with the sales tax payroll tax as it pertains to the increase of the 24 FTEs over what's already in Orange County, over a five to 10 year period to see what the increase of the 24 employees would ultimately translate to the county in the state.

**Tim Dean:** Is there any comment on that from the applicant at this moment?

**Sarah Lee:** I'm sorry, I was muted. Included in the agenda, as part of my analysis of the project, is the cost benefit analysis which gives the projection of what the sales tax and the impact of the project would be located in Dutchess County. So according to the report, there is a benefit to cost ratio to the county and the state but with this project the benefit to the cost is 156 to one.

**Tim Dean:** This is Tim, the board chair, to Tina and Thomas and Paul, I ask for your patience during this process. As you can tell, we're all trying to maneuver through documents that we have in our possession but we're normally used to having in front of us and having or at work having dual screen, so trying to maneuver through this remotely is a new experience for all of us.

**Thomas Schneck:** No worries

**Paul Remington:** No problem

**Thomas Schneck:** I don't know if that was included in the calculations but it may be important for this question. As a software company, we have a very high requirement when it comes to certification and training on our product, especially for our resellers who sell the product in the U.S. and in Latin America. So we have a requirement that everybody needs to come for certification to our location and be trained there and the week long training course, which creates about 800 to 1,000 overnights hotel room requirements. And also these people obviously, need to go out for

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dinner, go shopping. So I mean, this is beyond those 24 new FTEs, who will work there on a permanent basis. But it's also going to be hundreds and hundreds of people who will go there every year to get recertified and spend again hotel nights and dinners and lunches in Dutchess. So just want to add this which might not be in the initial FTE calculation.

**Sarah Lee:** I also want to add that through EMSI, which is our new data workforce employee database analytics program, I did a quick calculation and ran the numbers through that. The ripple effect of those jobs in the county is estimated at 1.63 which means that there is expected about 55 new jobs created as a result of these jobs moving to Dutchess County.

**Tim Dean:** Question, with the headcount that you're looking at for the square feet that you have there, is that enough space for that type of employee count? It looks like you took the square feet and divide it by 87 employees that's around 215 square foot per person, but does that include the copy room and other areas? It seems like a tight amount of space.

**Thomas Schneck:** Well, no. We will follow a lot of new of modern office designs which means an open floor plan. We're moving away from the typical offices throughout the two floors. We are highly digitized so a typical room we would normally need for filing cabinet or for archiving anything like that, that's obviously not necessary moving forward. We feel we can at least have those numbers housed in those two floors. We talked to our interior architect and he was also very comfortable that we can house close to the amount of people.

**Tim Dean:** Okay

**Mark Doyle:** I have a follow up question on that, this is Mark Doyle. If you would come to the point of needing to expand, would you be able to expand in the same building by taking over the potential portions or was it the plan B in that case?

**Thomas Schneck:** I think Rodney can probably talk a little bit more about this. There are some ways to be in close vicinity to that new building. I don't think we could expand in the same building, but the idea would be to have buildings which are almost in walking distance to this one. We are talking about which would be absolutely okay for us. It would almost give us some sort of a campus feeling, which again is also very common these days, especially for larger companies. We were satisfied with that perspective that down the road, there might be adjacent buildings we could utilize as well.

**Tim Dean:** Other questions?

**Thomas Schneck:** I want to add to what Sarah said early on. We had really tremendous conversation with the Beacon School District superintendent and high school principal. We have a long tradition in our company to really grow a lot of roots in the community and we're talking specifically about digital literacy programs. We want to get started on as we really feel this is super important for the next generation to learn how to code and feel comfortable with this digital transformation. We have a high passion as Docuware to support special schools, so this has been a very welcoming environment for us and that's why we feel really comfortable with that location in Beacon.

**Tina Anderson:** I would also like to add something and I'm not sure if the IDA is aware of this. But on our project next door that we created, we currently or we did have 12 residential units that we were allowed by right to build for our site plan. That's right next to the old DPW site. What we decided to do was to go back, the RFP came out from the city and had the opportunity to provide this commercial space. We went ahead and again decided to forego those. And altogether we could have built them tomorrow. And in other words, what I want to point out is that we decline doing that to take on this project to provide the commercial space that the city was crying out for. So we went ahead and let those 12 out and are doing the 20,000 square feet with only 8 residential units instead of 12.

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**Tim Dean:** Thank you. Sarah, as board members, we would normally be asked to complete the area of our documents where we approve this and which areas of our focus does this address. Could you perhaps go to that section of our documents and talk with the board about which ones of those areas you feel most applied to this project?

**Sarah Lee:** Sure. I am just going to the cost benefit analysis. In the project evaluation, the criteria that the board considers when approving projects is as if it's consistent with our mission. The agency's mission is to promote economic development resulting in permanent jobs as well as increasing ratables which this project will do by bringing potentially 87 new jobs to Dutchess County, as well as building on a formally tax exempt property and eventually bringing it back onto the tax rolls. The additional criteria that the board is asked to also consider is does the "but for" meet the requirement that we require such as: Helps close a funding gap? Is competitive to offers from other states? Helps a local company remain the business competitive? Is a key industrial cluster critical to the county's economy including manufacturing, healthcare, information technology, education, tourism, energy and agribusiness? Is an essential service or business generally lacking in the county? Meets a local development or community goal and improves or expands to a municipality's infrastructure? Tina if you want to talk a little bit more about this project which also includes replacing old pipes and infrastructure in the City of Beacon, as well creating more open space in the city.

**Tina Anderson:** Yes, correct. A significant amount of infrastructure already currently runs underneath this property and we are updating and building new infrastructure underneath and providing it to the city at our own cost.

**Tim Dean:** Thank you, can somebody talk a little bit about why you need the cost differential for this project and why it would not work without these pilots?

**Tina Anderson:** Well, at the end of the day, what we're constructing and everything else and the taxes on the property are estimated to be about \$210,000. With the rental income projections that we're getting and also taking projected expenses, you can see on the pro forma that I did a 4% increase on expenses every year and a 3% increase on rent on the income, but we do not have an increase in rent for 10 years with Docuware. One of the other things that we did, we kept the ring at that for 10 years. So when you start to look at the numbers and putting it together, you can see that without these programs, it's just not feasible.

**Tim Dean:** This is a question for the board. Part of our mission is to either bring jobs or preserve jobs. Don did qualify the situation with this entity coming in from another county. The board would need to be satisfied that as was mentioned, either the possibility of losing the project to another state, which isn't a reason that we could make an exception to our normal rules about not trying to take jobs from another county. That's not our mission. Don, if you could just once again talk about the second exception, I would appreciate that.

**Don Cappillino:** It's meant to keep them competitive within the industry. Presumably what happens is by giving these benefits the outputs provide a rent that is appropriate for this particular project. So they can keep them competitive and also further employment and being able to use the rail lines as something to attract part of the recruitment of getting qualified people. So I think those are the places that I've heard them using their reason for needing to remain competitive within that industry.

**Tim Dean:** All right, so ...

**Thomas Schneck:** So Tim, I just want to reiterate that you if we cannot do the speaking deal, we would definitely look for alternatives which are connected to the train this is for us a given because we know we have a 20 to 30 year time frame when we look at these decisions. Again, the workforce of the future will not have individual cars. We understand completely that we need to be in locations which are reachable in different ways. And currently that's train and that's why we would always look for another location which would have this connection.

**Tim Dean:** Sarah, talk about if we give this project preliminary approval, what would be the next steps?

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**Sarah Lee:** They are here this morning for the preliminary approval, the preliminary approval for this project would just authorize a public hearing. Once the public hearing occurs, they would reappear in front of this board again, for their final approval, and then it is at the final approval that we can then grant these incentives.

**Tim Dean:** Okay. That being said if people still have objections to this project that are not being resolved by a public hearing and split time, I would really like to get those out to make sure we give the applicant every opportunity to answer those. I don't want to give anybody false hope by doing a preliminary approval if somebody really strenuously objects, if it doesn't have a chance of being considered for final approval based on some answers to somethings. I would encourage any board members at this time if you still have outstanding issues that have not been answered, I would ask if you could just let us know what those are before I move forward to ask if there's a motion to tentatively preliminary approval. Is there any other concerns out there still?

**Sarah Lee:** Tim there is more opportunity for the board before the final approval is given as well. So, if questions develop as well, this is not the only opportunity.

**Tim Dean:** Understood. Yes, I just want to make sure that we give the applicant as much opportunity to answer any concerns that we have that can be answered because I don't want to go ahead with the preliminary approval and then turn around and without any new information coming forward, it's rejected at the final. I just want you to know we're in unusual circumstances, I just want to give everybody an opportunity. If they still have some concerns that have been unanswered, I would just like to give them the opportunity to let us know, let the applicant know what those are.

**Thomas Schneck:** It would be great.

**Sarah Lee:** Mark

**Mark Doyle:** Hi, I would like to say this, we have another example of a fine transit oriented development project just north of Poughkeepsie at the psychiatric facility. And, you know, this is the wave of the future looking toward fighting businesses and jobs. Close to transit centers. So from that point of view, I'm in favor of it. I also think that one of the benefits that's not often spoken about is the benefit of improving the infrastructure that the municipality relies on the water, for example, and roads to some extent, and that should have the effect of lowering the overall cost of the community. And as opposed to putting new facilities in remote places, which simply at this case, don't have a lowering effect, but may in fact, cost more. Second point that these are, without a doubt high tech jobs with a higher rate of pay. So completely appropriate on this part of the world. So as I use the information in front of me right now, I'd be in favor of this project.

**Tim Dean:** The one aspect of it to me that was a bit of a concern was the issue of poaching jobs from another county. I am generally not in favor of that as a general rule. However, I do feel comfortable after hearing the explanations. I am familiar with Orange County enough to know that their ability to address commuter rail is limited right now and I can see why Beacon is a spot for them. I can see why they were unable to find that in Orange County. Does anybody else have any questions? Okay, what I'm going to ask is if anybody is willing to put forth a motion for preliminary approval of this project.

**Rodney Webber:** If I could chime in for one moment, I appreciate everybody's time on this. I'm the owner, Rodney Webber and I want to thank you, everybody for your time. You haven't heard from me yet. I've been patiently listening, waiting because of course, Tina's been heading this project for me. Again, I appreciate everybody. Speaking on this behalf, obviously, can everybody hear me okay?

**Unknown Speaker:** Yes

**Rodney Webber:** Thank you. Obviously being involved in Beacon and the Hudson Valley, we're always and I've been stressing this for the last seven years that I've lived here that economic development is one of the most important

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aspects of Beacon and the whole Hudson Valley. And that's been one of my speeches and continues to be my speeches going forward among trying to get planning approval and such in Beacon. Tina was correct in saying, originally, we were approved only for residential here on this property and your groups were more residential. I took it upon myself to try and push that limit with the City of Beacon to try and expand this actual private project, making it bigger so that we could indeed push the limits as far as economic development and acquiring and attracting. By doing so, we're trying to create a Class A building, which would be one of its first of its types. And in the southern part, I can't speak everything about the northern part of the Hudson Valley, but I do believe going forward if we can attract these types of commercial development and it only has to start with one then a lot more could and will follow, that is our goal. The walls of the building are set and so is the commercial space. The only thing that is not completed is our residential layout. We feel that at this juncture, it is more important than ever, especially with the current economic climate that this project is important. With our commercial we are considering the need of our commercial clients. This would include the residential as well trying to create what Docuware would need for executives and certain employees also to live in Beacon. This of course, being another attractor to keep this particular person or this company in New York, which we really do need, at least, in my opinion, and I believe everybody on the board. There's also a large difference between commercial tax and residential tax. The bigger we get, the more expensive the project. Trying to push the environmental standards of projects trying to go for a silver LEED or Gold LEED equivalent obviously becomes more and more expensive. People have been seeing that we do already have limits in our residential projects, but there are no incentives to do that to the government for commercial. They don't give us anything per unit as far as pushing those particular standards in those programs. Again, even before this, we were trying to push the standard as far as infrastructure. We understand infrastructure is important so there is a two foot tsunami that is on this property and right away we try to push that limit to work with the city to say, okay. If we also try to push the standards where we need it in the city as well as the whole Hudson Valley or the infrastructure is concerned. We are definitely doing our best and I appreciate your time and consideration going forward. If there is any other questions that I can try and answer, I would be more than willing to do so in the near future whenever those arrive. Again, thank you for your time and I think we're all pushing for the same goal.

**Tim Dean:** Okay at this point, I would like to once again ask if there is anyone that's willing to put forth a motion for this preliminary approval.

**Mark Doyle:** I'd like to make that motion. I'll make a motion for preliminary approval of the project as stated.

**Tim Dean:** Is there anybody willing to make a second on that?

**Jamie Piccone:** Jamie Piccone will be willing to make a second?

**Tim Dean:** Thank you. Sarah I would like to ask you to take a roll call vote on the project.

**Sarah Lee:** Sure, Kathy Bauer

**Kathy Bauer:** Aye

**Sarah Lee:** Tim Dean

**Tim Dean:** Yes

**Sarah Lee:** Mark Doyle

**Mark Doyle:** Yes

**Sarah Lee:** Stacey Langenthal

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**Stacey Langenthal:** Aye

**Sarah Lee:** Jamie Piccone

**Jamie Piccone:** Aye

**Sarah Lee:** Don Sagliano

**Don Sagliano:** Yes

**Sarah Lee:** Al Torreggiani

**Al Torreggiani:** Yes

**Tim Dean:** Okay, so the project has received preliminary approval, the public hearing and all other processes will move forward. And we will continue to monitor that. And we look forward to having you back for consideration of final approval.

**Tina Anderson:** Thank you, everyone. Thank you for your time.

**Thomas Schneck:** Thank you very much. Tim, can you just update us? When would be the final? Sarah, can you can you just tell us when the final public hearing will be?

**Sarah Lee:** Sure. We are under unusual times and scheduling maybe a challenge because New York State is changing all its laws about how public meetings are being held under the current crisis. Typically, we will schedule a public hearing within three weeks of this meeting. Then we have our next scheduled board meeting on the second Wednesday in April. If we are able to have a public hearing before then and all questions any outstanding questions from the board can be answered before every meeting, you will appear in front of the April meeting for the final approval. That's what I'll say for now, but again, we are under usual times right now and we'll do our best to schedule it and try to expedite moving things smoothly through the process.

**Thomas Schneck:** Okay, thank you. Great.

**Tim Dean:** Thank you all

**Thomas Schneck:** Thank you

**Tim Dean:** So the next ...

**Tina Anderson:** Have a good day.

**Paul Remington:** Bye, thank you.

**Tim Dean:** Okay, so the next item on our agenda is the PARIS report, is that correct Sarah?

**Sarah Lee:** Yes, let me just get my papers organized.

**Don Sagliano:** Excuse me Tim.

**Sarah Lee:** Yes

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**Don Sagliano:** This is Don Sagliano. I'd just like to thank Al Torreggiani who was able to pull up those questions. I was having some technical difficulties here so thank you Al.

**Tim Dean:** Thank you, Al. Oh, absolutely and I'm glad that we were able to ask them now so that we could keep the project moving along, if appropriate. Okay Sarah back to the PARIS report.

**Sarah Lee:** Yes, we have our PARIS reports which is due to the ABO in a few days. You were sent the annual report, the procurement report and the investment report. Much of the information in these PARIS reports align with our audit. You've had a few weeks to go through this, I just want to ask if there's any questions about the PARIS report?

**Tim Dean:** It's a pretty extensive document. I hope everybody had a chance to go through it.

**Sarah Lee:** One thing I did want to state again and I know I said it before is about the certified financial audit. Because of the system limitations, we have to basically upload our audit but because the audit was not approved by the Board until this meeting. That's what the handwritten notes on that auto reporter is for.

**Tim Dean:** Does anybody have any questions about the PARIS reports? Sarah I would expect you're looking for a motion to approve the PARIS report. Is that true?

Sarah Lee: Yes, please.

**Tim Dean:** Okay if there is no other questions, can I get a motion from somebody to approve the PARIS reports?

**Don Sagliano:** Don Sagliano, I'll make the motion to approve the PARIS reports.

**Tim Dean:** Thank you Don.

**Al Torreggiani:** Al Torreggiani second that motion.

Tim Dean: Thank you so then can I get a roll call vote?

**Sarah Lee:** Yes, Kathy Bauer

**Kathy Bauer:** Aye

**Sarah Lee:** Tim Dean

**Tim Dean:** Yes

**Sarah Lee:** Mark Doyle

**Marilyn Yerks:** He's on mute.

**Sarah Lee:** Oh, you're still on mute Mark.

**Mark Doyle:** Sorry, Yes

**Sarah Lee:** Stacey Langenthal

**Stacey Langenthal:** Aye



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**Sarah Lee:** Jamie Piccone

**Jamie Piccone:** Yes

**Sarah Lee:** Don Sagliano

**Don Sagliano:** Yes

**Sarah Lee:** Al Torreggiani

**Al Torreggiani:** Yes

**Sarah Lee:** Thank you

**Tim Dean:** Okay with that we can adjourn the meeting of the IDA and so I would like to do that.

Can I get a motion to adjourn the meeting?

**Al Torreggiani:** So moved

**Mark Doyle:** Second, Mark Doyle

**Tim Dean:** Thank you, Mark. And I'm going to ask for a voice vote on adjournment, I'm not going to ask for a roll call vote. All in favor.

**Unknown Speaker:** Aye, aye

**Tim Dean:** Any objections?

**Unknown Speaker:** Okay