

## June 24, 2020 IDA Meeting Transcript

**Tim Dean:** Good morning everybody I'd like to start the meeting of the Dutchess County IDA and welcome everybody, including some babies I hear. First thing is I'd like to take the roll call for the meeting attendance. Jasmin, if you could do that.

**Jasmin Haylett:** Tim Dean  
Tim Dean, Here

**Jasmin H:** Mark Doyle  
Mark Doyle, Yes, here

**Jasmin H:** Kathy Bauer

**Jasmin H:** Stacey Langenthal  
Stacey Langenthal, Here

**Jasmin H:** Jamie Piccone  
Jamie Piccone. I was muted by the administrator. I'm here.

**Jasmin H:** Don Sagliano  
Don Sagliano, I'm, I'm here. I was also muted by the administrator.

**Jasmin H:** Al Torreggiani  
Al Torreggiani, Here

**Tim Dean:** Okay, we're all set then. We have a quorum. First thing that I would like to do is to remind everybody of our conflict of interest policy. I will state that Kathy Bauer is not present due to a conflict that she had with the project to be discussed. She has a business relationship with the applicant. Does anybody else have a conflict of interest that they're aware of right now before we start and if so please state it? Okay, if not, we'll move on and if at any time during the meeting we have a conflict that comes up, we can bring it up at that time. Okay, proof of meeting notice was posted, correct, Sarah?

**Sarah Lee:** Yes, it was posted on June 18

**Tim Dean:** Okay, great. Are there any bills and communications that we need to talk about right now?

**Sarah Lee:** No, but I do want to say that we do have members participating as well as members of the public on the phone and not on video, so if speakers could announce their name before they speak that would be appreciated.

**Tim Dean:** Okay, first order of business is approval of minutes from the May 20 and June 4 meetings. I hope that everybody had an opportunity to review them. Does anybody have any corrections or comments about the minutes? Okay, if none, I will ask for a motion from somebody to approve the minutes.

**Sarah Lee:** One thing, Tim, I just got a note if you are unmuted by the host, please do not mute yourself because she will have to unmute you, so just remain unmuted through the meeting.

**Tim Dean:** Okay

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**Sarah Lee:** Don Sagliano

**Tim Dean:** He would have to unmute himself?

**Sarah Lee:** No, Rachel would have to unmute him. If you are unmuted by Rachel, do not re-mute yourself. So Rachel if you could unmute Don Sagliano.

**Tim Dean:** Ok, so we will all be live at all times.

**Rachel Welch:** Just for the record, if anyone from a project needs to speak, if they could just raise their hand that way I know who to unmute.

**Tim Dean:** Okay, I apologize for all the technical difficulties of working with these remote meetings. Can I get a motion from somebody to approve the minutes of the May 20 and June 4 meetings?

**Al Torreggiani:** Al Torreggiani, so moved

**Tim Dean:** Okay, I've got a motion from Al Torreggiani. Was it Mark Doyle that I heard as a second?

**Mark Doyle:** Mark Doyle second

**Tim Dean:** Thank you Mark. All in favor. Jasmin will you please take a quick roll call vote.

**Jasmin H:** Tim Dean  
Tim Dean, In favor

**Jasmin H:** Mark Doyle  
Mark Doyle, In favor

**Jasmin H:** Stacey Langenthal  
Stacey Langenthal, In favor

**Jasmin H:** Jamie Piccone  
Jamie Piccone, In favor

**Jasmin H:** Don Sagliano  
Don Sagliano in favor

**Jasmin H:** Al Torreggiani  
Al Torreggiani, In favor

**Tim Dean:** Okay, based on that, I don't believe we have any opposed, but if you're opposed, please so state. If there any abstentions, please so state. Okay, so moving on, report of the treasurer.

**Marilyn Yerks:** Good morning. This is Marilyn Yerks speaking. Looking at the balance sheet, we have approximately \$2.6 million in cash available. Looking at the P&L, as far as being on budget, we are on budget. Nothing unusual or unexpected to report at this time. Does anyone have any questions?

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**Tim Dean:** Okay, I did not hear any requests for questions. Can I get a motion to approve the report of the treasurer?

**Mark Doyle:** Mark Doyle, so moved

**Al Torreggiani:** Al Torreggiani, second

**Tim Dean:** Thank both of you. Jasmin, will you please take a vote.

**Jasmin H:** Tim Dean  
Tim Dean, In favor

**Jasmin H:** Mark Doyle  
Mark Doyle, In favor

**Jasmin H:** Stacey Langenthal  
Stacey Langenthal, In favor

**Jasmin H:** Jamie Piccone  
Jamie Piccone, In favor

**Jasmin H:** Don Sagliano  
Don Sagliano, In favor

**Jasmin H:** Al Torreggiani  
Al Torreggiani, In favor

**Tim Dean:** Okay, so that report is approved. Moving on in the agenda, reports of committees. Sarah is there any reports from committees?

**Sarah Lee:** No, no reports from committees.

**Tim Dean:** Okay, is there any unfinished business?

**Sarah Lee:** No

**Tim Dean:** Okay, that brings us to our new old business, for consideration and approval of the final resolution for Arthur May redevelopment LLC (Town of Poughkeepsie) to induce a project, providing for a mortgage tax exemption sales tax exemption and payment in lieu of taxes for an approximately \$69,730,000 project for construction and redevelopment at 25 and 31 Raymond Avenue (the former Arthur May School, Arlington Central School District) to construct a mixed use project to entail approximately 187 residential units 18,000 square foot of commercial space and a hotel. I'm going to ask Don Cappillino to discuss the process. There's been a few minor changes to the original application and description, so I will ask Don to just go over those for us to bring us up to date.

**Donald Cappillino:** Thank you Tim. There are a couple things.

**Sarah Lee:** Don, can you say your name?

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**Donald Cappillino:** I'm sorry, this is Don Cappillino. On Friday, there were some discussion about the contents of the PILOT agreement only insofar as it relates to the transition period from when title was taken from the developer to the IDA until construction was completed. There was some ambiguity there, so we straightened that out by talking to the supervisor. It was made clear and I covered that in an email to the board and I discussed it at the beginning of the public hearing as well. The second issue had to do with the structure. At one point, the developer was at a holding company that was going to take title and then eventually sublease to a New York LLC. The holding company is a Delaware LLC. Again, it's controlled by the same people but the holding company provided for some kind of financial partners to join. At this point, we drafted the documents based upon that. In order to avoid having to come back for the sublease to be approved by the board, in order to have this move along, since we're not ready yet with partners, they're just going to move forward with the Delaware holding company at this point. It seems the owner will be the same people involved and other partners that may be brought in in the future are not yet in so they're just moving forward. This way they're going to have to come back to the board if and when the sub-lessee is determined, so those are the changes we don't consider them to be substantial in any way. We just have to modify all of the documents and for that reason, the board received on Monday the actual language of the proposed documents that could be signed when we close and those were sent to the board, and I believe those changes were posted as well to the website.

**Tim Dean:** This is Tim Dean speaking, Don I did have a chance to compare the blackline version to the final version, and I hope the other board members were able to do so as well and see that the majority of the changes were reflective of what you talked about as the elimination of the subleasee and the language for the sublease in the document. Did you want to say anything else before I open it up for questions from the board Don?

**Donald Cappillino:** No, the other point was the PILOT agreement provisions were changed as well in order to clarify that transition period that the applicant will be paying full taxes and it would be reassessed throughout that process until a temporary certificate of occupancy is granted for any building in each of the five phases.

**Tim Dean:** Tim Dean speaking and just to further clarify that was something that was worked out between the taxing entities and the applicant. We just facilitated the language in our documents, but that agreement was made between the taxing entities, so they approved of all of these changes that were made.

**Donald Cappillino:** This is Don Cappillino, I was speaking directly to the supervisor of the Town of Poughkeepsie about this and what was meant when they did it and he clarified those decisions and we do have some correspondence as well. He texted me saying yes, that's what I did.

**Tim Dean:** Okay, so before I open it up to comments from the board, I just wanted to comment that, again this is Tim Dean speaking, I did take an opportunity to read the public comments myself and there were some very good comments in there which I appreciate and reviewed and considered. The one thing that was corrected that had to do with me personally and I do acknowledge this, was that during the last meeting, I stated that this project was within a distressed development. In actuality it is in abuts a distressed census track on three sides, and that being said, the reason for my comment was to point out that it was qualified to be considered as one of those and the language says "abuts" or is within a distressed census track. So my comment, while definitely was not correct, its provisions still apply since it's 'abuts' and that was the intention of my comments was to point out that there was a distressed census track there and it is on three sides. Just a couple of other comments. It was mentioned that perhaps we were rushing to a conclusion here. I just wanted to point out to everybody that our part in this has been fairly recent but this project has been under consideration for over four years so we've all been aware of some of the discussions about it. The most important people involved in this, which were the school district, the town, the special districts, they've all been at this for many years. It was as a result of an RFP or RFQ and so I think a lot of diligent effort has been put into considering this project

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by everyone, but again, I will look for board comment. I do not personally feel rushed by the process that has taken place with us in our roles and my final observation was in regards to some of the comments. When I look at this as a board member, I want to know that are the taxing entities are in support of the project, and clearly the school district has stated that they are in favor. In fact, we're the ones that wanted to sort of fast track this so that they could receive as much benefit from this project coming off the tax rolls as possible. The town has spoken out in favor of the project, both at our meeting and at the public hearing. The developer is a well-respected developer from the area. This is not their first go round. So I think I have confidence in that and I did mention that it was 'abutting' in the sense of a distressed census tract on three sides and also we have the support of the Arlington Business District, which is the surrounding businesses so I think that from that standpoint, we are to address some of the public comments. I think that we have looked at this carefully. But again, that's my opinion, and I'm going to open it up to board members to see if they have any questions or concern about the project in general or as a result of any public comments, Don Sagliano.

**Don Sagliano:** Thank you Mr. Chairman. If I'm allowed to have the floor for a few moments to ask attorney Don Cappillino regarding a potential or possible sublease that may or may not occur in the future based upon the statements he made. Is that something that is typical in the IDA projects? I know in the projects I've been involved with that certainly is something that is very much a part of the protocol.

**Donald Cappillino:** Don Cappillino, the board's approval of any assignment or sublease is required in every case, its routine. We do that in many cases. We have a couple that are running right now where that is exactly what's happening. Here the structured at the outset was they had hoped to be ready to have both the ownership interest and the sublease arrangement in advance. Now, we then what we switched to a set of documents that would do that to avoid having to come back to the board for the sublease. Well as it turned out, they were not ready for that and so we backtracked and we went to our other set of documents, other model, for doing that and this is actually the more typical way that we do that. So as opposed to doing something out of the ordinary, we've done what was proposed originally as well, but we backtracked from that at the applicants request because they weren't ready for that. The only reason that they have to move forward is the school district needs to put the money in the budget so that they can then use that money for the upcoming school district year so that they can help with their tax revenue side of what their budget.

**Don Sagliano:** Thank you Chairman Dean I also would like to draw attention to some comments that were received by the public during the public hearing. There was a representation made that I did not look at a document, a 47 page document. In fact, I already had looked at that document. I was having difficulty pulling it back up to refer to, and that's why, subsequently, I had the document emailed to me during the meeting and I also would like to make a statement that we as a board, we have quite a bit of responsibility here and we all spend a lot of time reviewing documents. It simply isn't coming into a meeting for 25 minutes or half an hour and saying, yeah, okay or no okay. We all spend the amount of time requisite to review the documents and I feel personally that I do a very thorough job of reviewing the documents. So when a vote is cast, it's not cast as a perfunctory matter. Its cast with great responsibility and care. I just wanted to make that statement. Thank You Chairman.

**Tim Dean:** Thank you and I do appreciate that. I also want to add to my initial comment. This is Tim Dean. I'm sorry. To add to my initial comments, I failed to mention that there were some comments made about the potential for this project to consume more in services than in taxes and that we shouldn't be removing tax revenue from the tax rolls. I just wanted to make the comment which was previously made that this property was part of the school district in a tax exempt property. So this will be the time when it actually comes back on the tax rolls to pay revenue to the taxing entities so while yes it is a PILOT. It will be the first time that it will be paying taxes of any kind. So it's not a reduction in tax revenue from historic purposes. Does any other board member have any comments or questions and if you do, if you could just state your name or wave, so that we can see.

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**Mark Doyle:** This is Mark Doyle. I'd like to make a brief comment about the process.

**Tim Dean:** Go ahead, Mark.

**Mark Doyle:** That is that understandably for viewers and public attending a meeting through the Zoom process and maybe on the telephone it might be a good thing to point out that we have a sort of a fail-safe dual vote and in fact that the first initial vote is followed up by a second vote, a final vote, final resolution and that ensures that there is a proper amount of time and consideration given to any issues that might come up in between so in no case is there a simple, quick vote that is final.

**Tim Dean:** Thank you Mark. Does anybody else have any, any other board member have any comments, questions? Okay. Hearing none, I will ask, is there anyone willing to put forth a motion for the approval of the final resolution for the Arthur May Development.

**Mark Doyle:** This is Mark Doyle. I'd like to make a motion for the final approval of the final resolution for the Arthur May Development.

**Tim Dean:** Okay

**Al Torreggiani:** Al Torreggiani, I would second that motion.

**Tim Dean:** Thank you Al. Okay, Jasmine will you please take a roll call vote.

**Don Sagliano:** Excuse me Chairman Dean.

**Tim Dean:** Yes

**Don Sagliano:** There were some additional questions that I had.

**Tim Dean:** I'm sorry

**Don Sagliano:** That perhaps maybe opportune at this time. I know that we had asked some of the participants, whether the applicant or the school district, to sign in and I did have a question of further clarification because the information we received when we did the preliminary approval was a little incomplete. So I would like to perhaps, maybe, I could raise that question before we vote. I mean, you have a motion and a second. So I think this would be okay for discussion. If that's okay for Counsel Don Cappillino.

**Tim Dean:** Is that okay Don?

**Donald Cappillino:** Yes, Don Cappillino, saying yes.

**Tim Dean:** Okay, Don Sagliano please go.

**Don Sagliano:** Don Sagliano. I wanted to further question what was posed when we did the initial approval and it was a question directed to the district. Mr. Sheldon, if you could possibly respond to the question that was raised was about potential enrollment challenges which may occur from this fully built out project. At the time, the response was that you

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didn't have that information available which was why and I just was wondering if there was any further information that you could perhaps give to the board here at this time.

**Kevin Sheldon:** I will offer the same answer that. I think I've offered in the past, which is that the school district has been experiencing enrollment decreases, particularly for five years of this project. So that's the initial reason why the building is for sale to begin with. In addition, we have an entire elementary school that we've moved our administration services into that can actually go back into service. We only have space to handle growth if the area were to increase and to do the enrollments. Right now we are planed off at about 8,000 students at least for the last two years. So the decreases starts to slow but that was in our capacity for the remaining buildings that we have.

**Don Sagliano:** Thank you Mr. Sheldon, I appreciate the response.

**Tim Dean:** Don, did you have any other questions?

**Don Sagliano:** No, thank you, that was the question I wanted to get out to the floor.

**Tim Dean:** Thank you. Okay, this is Tim Dean, we have a motion and we have a second on the floor right now so Jasmin could you please take a vote.

**Jasmin H:** Tim Dean  
Tim Dean, In favor

**Jasmin H:** Mark Doyle  
Mark Doyle, Yes, in favor

**Jasmin H:** Stacey Langenthal  
Stacey Langenthal, In favor

**Jasmin H:** Jamie Piccone  
Jamie Piccone, In favor

**Jasmin H:** Don Sagliano  
Don Sagliano, In favor

**Jasmin H:** Al Torreggiani  
Al Torreggiani, In favor

**Tim Dean:** Okay everybody has voted in favor and I don't believe there's any opposed or abstentions remaining but if there are, please so state. Okay that project is approved. Sarah is there anything else on the agenda that we need to talk about?

**Sarah Lee:** Yes, we have a board member who is stepping down.

**Tim Dean:** That is true, that's my cue, thank you. As all the board members and all those attending may be aware, Stacey Langenthal will be done in her role as a board member as of the end of June so this is her last meeting that she's attending and we wanted to acknowledge her contributions to our organization. She brought a very good perspective and point of view to our discussions in our meetings and we very much appreciate what she has done. So

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because of that, it's very hard through a zoom meeting to show this but Stacey, we wanted to provide you with a little token of our appreciation and I guess if Sarah could show it.

**Stacey Langenthal:** Wow, that's beautiful.

**Tim Dean:** Sarah maybe you could tell her where we got that for her.

**Sarah Lee:** This is Sarah. Stacey we got you a plaque from Hudson Beach Glass and it says "Presented to Stacey M. Langenthal in appreciation for her dedicated commitment to the Dutchess County Industrial Development Agency and the Dutchess County Local Development Corporation 2017 through 2020". It is a plaque that is actually based on the topography of the Hudson River, so we thought that was a nice touch. I will be delivering this to you at a time that's convenient, but I just wanted to show it at the meeting. It's hard to see because its glass, but I put a piece of tissue behind it.

**Tim Dean:** So, Stacy, once again, thank you very much for your contributions.

**Stacey Langenthal:** Tim, this is Stacey, if I could speak for just a second. I just wanted to thank you all. Thank you for the lovely plaque, but thank you also for what I've learned from all of you during this time. This was not an area of work that I've done before and it was really fascinating to learn how this works. And I learned so much from each of you that came before me, and even those of you that joined the board after me. We've learn together. So I just want to thank you all for the time in the education. It's been a pleasure serving with you.

**Tim Dean:** Thank you once again. Anybody else have any comments?

**Mary Kay Vrba:** This is Mary Kay Vrba. If I could just have a second. This is also my last meeting. So I just wanted to thank the IDA board for all their support for tourism over the years. And what a pleasure it was working with such a professional group of people that recognize tourism as a significant segment of the community and Dutchess County. You are always there for us and have been supporting us and I just appreciate the personal support that each of the members of this organization, the time that they give and the thorough thought they put into all the projects that they put forth, and so I appreciate it. This is a resilient county, we will come together, we stand together and we will fly again in this economy. So I do appreciate it and thank you so much for all your support over the years.

**Tim Dean:** Mary Kay thank you for attending this meeting and may I say that your contributions individually to the County of Dutchess and your personal efforts to improve our economy. I would really say immeasurable in many ways you have single-handedly taken tourism as your mission and being in this community since the 1980s and seeing the impact that you've had as you've moved up through the ranks, I can't thank you enough personally in as chair of this board for what you've done and I wish you the very best in retirement and you will be missed tremendously.

**Mary Kay Vrba:** Thank you, thank you all

**Tim Dean:** Thank you. You may not be able to hear it, but everybody's clapping. Is there any other items of business that we need to discuss? Okay at this time we will adjourn.

**Don Sagliano:** It looks like Mark Doyle had a comment.

**Tim Dean:** Oh, I'm sorry.



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**Mark Doyle:** Thank you. This is Mark Doyle. I muted myself because I have background noise but I just wanted to say two things. Stacey, thank you so much for your time and presence on the board and a steady hand taking over the treasury reins and your contributions, particularly. I'm sure that all the other things you're doing will benefit greatly from your presence and attention and to Mary Kay, I just wanted to say, particularly, you know, agriculture in the Hudson Valley has benefited massively due to your application of the strategy of linking agriculture and tourism, creating an agri-tourism industry here that is really on a par with any of the best areas Napa Valley, etc. in the rest of the world. So we are very grateful for that and look forward to much more growth as a result of it.

**Mary Kay Vrba:** Thank you

**Tim Dean:** Anybody else that would like to make a comment, please speak up or wave your hand. It's hard for me to see everybody at once on my screen unfortunately. I'm scrolling through and I don't think I see anybody else so at this time I would like to adjourn the IDA meeting.