

July 8, 2020 IDA Meeting Transcript

Tim Dean: Good morning, everybody this is Tim Dean Chair of the Dutchess County IDA. Jasmin could you take a roll call, please.

Jasmin Haylett: Tim Dean
Tim Dean, Here

Jasmin H: Mark Doyle
Mark Doyle, Here

Jasmin H: Kathy Bauer
Kathy Bauer, Here

Jasmin H: Jamie Piccone
Jamie Piccone, Here

Jasmin H: Don Sagliano
Don Sagliano, Here

Jasmin H: Al Torreggiani

Tim Dean: Okay is Al here?

Sarah Lee: No, Al is unable to join us today.

Tim Dean: Okay, that's fine. All right so we'll start the meeting, conflict of Interest disclosure, we don't have any particular projects being discussed today but if for any reason, any part of the meeting a board member feels they may have a conflict of interest, please let us know and we will figure out a way to recuse you from that discussion. There was a proof of meeting notice posted, correct?

Sarah Lee: Yes, on July 2

Tim Dean: Okay, are there any bills and communications at this point?

Sarah Lee: No

Tim Dean: Okay, I hope that everybody had a chance to review the minutes of the last meeting, let's see, June 24, 2020, does anybody have any corrections or changes that need to be made to the minutes, if not, I will look for a motion to approve the minutes.

Jamie Piccone: I'll make a motion.

Tim Dean: Thank you Jamie

Don Sagliano: I'll Second, Don Sagliano

Tim Dean: Thank you, Jasmin could you please take a roll call vote.

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Jasmin H: Tim Dean
Tim Dean, Approved

Jasmin H: Mark Doyle
Mark Doyle, Approved

Jasmin H: Kathy Bauer
Kathy Bauer, Approved

Jasmin H: Jamie Piccone
Jamie Piccone, Approved

Jasmin H: Don Sagliano
Don Sagliano, Approved

Tim Dean: Thank you, the next item on the agenda is the report of the treasure but Sarah I believe we do not have a treasurer's report, is that correct?

Sarah Lee: Yes, we don't have a treasurer's report today, just as a combination of when this meeting occurred, the holiday weekend and then Marilyn being on vacation so we don't have a report this month.

Tim Dean: Okay, report of committees, is there any committees that need to report?

Sarah Lee: No

Tim Dean: Okay, is there any unfinished business?

Sarah Lee: No.

Tim Dean: Okay that takes us to new business which is the 2019 project performance report. I hope everybody had a chance to go through that and take a look at what we've done and what ended after the year of 2019. Did anybody have any specific comments about the report or questions?

Mark Doyle: I have a minor observation and that is it would obviously be very interesting to see the change from 19 to 20 and sadly so but it's a wonderful report.

Tim Dean: Yes and thanks Mark, we can see some of the projects will certainly face some delays due to the economic situation and I'm sure some of the projects such as the hotels are probably struggling right now so what in the past was a sort of a bright spot may be dampened for a while with, you know, tourism being down a bit. Did anybody else have any other questions about anything about the report or any particular project within it?

Sarah Lee: Tim, this is Sarah.

Tim Dean: Yes

Sarah Lee: I don't know if you want me to just go real quick through the highlights of the report.

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Tim Dean: Sure, that would be fine.

Sarah Lee: Don Sagliano

Don Sagliano: Tim I did have a question, just throw it out there, Sarah before you go through, I noticed that on pages three and five that the Cricket Valley project is listed on both.

Marilyn Yerks: I can't hear Don at all.

Sarah Lee: Don, we missed the last part of your question.

Don Sagliano: I'm sorry, can everybody hear me? On pages three and five of the performance report the Cricket Valley project is listed twice in one section one and one in the other section and I don't know why that was occurring.

Sarah Lee: Okay, so the reason why that's occurring is that Cricket Valley their PILOT actually has begun and as a result I put them in the chart because we are starting to monitor their employment as a part of the agreement but they're also finished construction. They were still having construction jobs in 2019 so I'm showing the construction jobs on page five they're there to show the construction jobs they had and on page three they are showing the permanent jobs that they have on site.

Don Sagliano: Okay, thank you.

Tim Dean: All right, Sarah so why don't you quickly go through your summary of the report.

Sarah Lee: Sure, thank you Tim. This is Sarah and this is our annual performance report that monitors that the projects are complying with the project agreements and at this time no projects qualify for the agency's recapture policies. So as you know some of the conversation we've had just a few minutes ago this is actually a very positive report. At the end 2019, the IDA had 25 active projects by 20 unique project operators. These projects accounted for over 11,000 FTE jobs, over 2,000 construction jobs, and accounted for over \$10 million in PILOT payments to Dutchess County. In PILOT payments, 2019 PILOT payments represents an 86% increase in property revenue from pre-IDA status and 12 of the IDA projects had active pilot project agreements generating again, \$10 million. Prior to IDA status these properties paid about \$5.7 million in tax payments so our projects are bringing in considerable income and revenue to our municipalities. Also the IDA projects reported a total of 11,278 jobs in 2019 that's a 59% increase from pre-IDA status. It is also about 2,400 jobs more than what was projected in the applications so it shows that many of these projects are growing and investing more money in Dutchess County. So, which is a good thing. We did have three projects that did not meet their employment goals. I just want to state that these three projects also are not subject to the agency performance measurement policy because they were active prior to the policy being in place. Those projects are Arbor Ridge at Brookmeade, Bonura/DiBrizzi and Built Parcel Three and Four. We have contacted all of them once we got the report and the reason for their numbers. Arbor Ridge, their lower numbers is not a result of need for less jobs or elimination of jobs, these were result of people retiring or transferring to a different positions in different facilities on their campus. If you remember Arbor Ridge at Brookmeade is actually composed of several buildings. They have their nursing home, assisted living and they are building their adult daycare right now. The Arbor Ridge Brookmeade is there Assisted Living Centers so those jobs while they are empty they are still seeking to fill those jobs but the people they have there are lower and that's what we see in the report. Bonura/DiBrizzi is the hotel. They submitted back then that they would have 129 FTEs, they have 74 FTEs onsite. This has been an issue for a few years. As a result of staffing changes they have made market forces. They just had overestimated their employment at the time and they're just not seeking their numbers. In the past the board has felt that while they haven't reached their employment goals

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that they remain an active hub in the City of Poughkeepsie really driving a lot of economic development in the city and is an anchor in that in the City of Poughkeepsie. Built Parcel Three and Four is and mixed use project in the Town of Poughkeepsie. The majority of the project is complete but they haven't completed a large commercial aspect of that project which may account for them not reaching their numbers. They had estimated 60 FTEs to be created right now, as of 2019, they had created 43. They still have created more jobs than their pre-IDA status but again I think they're limited in their ability to reach their job goals because the majority of their commercial space has been leased out. They do have a couple of empty spots of commercial space available and again a large portion of the commercial space has not started construction yet so that is about it. We had three projects in 2019 started, it was Asahishuzo, 165 Overlook and Hudson Heritage and we had two projects end in 2019, it was the Gap sales tax project and the Hyatt Hotel project. The Hyatt Hotel project in particular, we provided a sales tax abatement and mortgage tax on that project. Prior to IDA's involvement, the project was assessed at \$250,000 after project was completed the assessment was increased to over \$4 million dollars and created 65 FTEs jobs and that end's my report.

Tim Dean: Sarah could you comment on Asahishuzo, has that project been put on hold right now?

Sarah Lee: Yes

Tim Dean: That's due to the ...

Sarah Lee: To the coronavirus, it not only the impact the construction stopping in New York State but also just the global impact on food and beverage the coronavirus has had on that hospitality industry worldwide. So they decided to halt the project for now. They are still committed to the project. They just, you know would like to just suspend construction on that project for now.

Tim Dean: Are there any other projects that you're aware of that are active right now that have suspended work, any of this on list?

Sarah Lee: No, as far as I know, I know that all those construction projects had stopped for a time because they were forced to stop under the New York State COVID precautions but all those projects have restarted other than Asahishuzo.

Tim Dean: Okay, good. All right, does anybody have any questions after Sarah's report? I have a question, Tim Dean, Sarah the three that we talked about that did not meet their goals with our new recapture policy if they had been in place at that time would these be potentially subject to the recapture?

Sarah Lee: Yes

Tim Dean: Okay

Sarah Lee: They would and again the recapture policy gives the board, the right to discuss and decide.

Tim Dean: But it would trigger a more specific discussion?

Sarah Lee: Correct

Tim Dean: Okay, Sarah do we need to approve this report or is this just for our information?

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Sarah Lee: It's just for your information

Tim Dean: Okay, any other new business?

Sarah Lee: No

Tim Dean: Okay, then at this point I think what we're going to do if there's nothing more to discuss under the IDA, I believe that we can adjourn this meeting and we can move to the LDC meeting so can I get a motion for adjournment?

Mark Doyle: So moved, this is Mark Doyle.

Tim Dean: Thank you, Mark, can I get a second?

Jamie Piccone: Second

Tim Dean: Jamie Piccone second, all in favor.

Kathy Bauer: Aye

Tim Dean: Anybody opposed, any abstentions, okay we can now move to the LDC meeting.