

MINUTES

Dutchess County  Industrial Development Agency

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

Wednesday, May 13, 2020

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

Unable to Attend:

Also Present: Sarah Lee, Executive Director
Marilyn Yerks, CFO
Jasmin Haylett, Office Administrator
Donald Cappillino & Elizabeth Cappillino (Counsel)

On Wednesday, May 13, 2020, the Dutchess County Industrial Development Agency [DCIDA] Board of Directors Meeting was called to order by Chairman Dean at 8:05 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. No conflict of interest was noted.

PROOF OF MEETING NOTICE

Meeting notice was published on May 7, 2020

BILLS AND COMMUNICATIONS

None

APPROVAL OF MINUTES

March 23, 2020

Chairman Dean asked for a motion to approve the March 23, 2020 Minutes of the Dutchess County Industrial Development Agency.

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A motion was made by Mr. Doyle, duly seconded by Mr. Torreggiani to approve the DCIDA Board of Directors Meeting Minutes for March 23, 2020. All voted in favor. Motion carried.

REPORT OF THE TREASURER

A. Financial Report

Ms. Yerks reported on the April 30, 2020 Balance Sheet and Profit & Loss Budget

- Profit & Loss is on budget
- PILOT payments have been received and distributed.
- Cricket Valley and the GAP have been billed for their PILOT payments.

A motion was made by Mr. Torreggiani, duly seconded by Mr. Doyle to approve the April 30, 2020 financials as presented. All voted in favor. Motion carried.

UNFINISHED BUSINESS

None

NEW BUSINESS

- A. For Consideration and Approval of a Final 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 re-development at 23-28 Creek Drive (the former City of Beacon Public Works Garages) to construct a mixed-used project to be used as residential and commercial space.

Chairman Dean noted that a presentation for this project was given at the previous meeting and a public hearing was held. Also for clarification, this is a property in the City of Beacon that is currently not on the tax rolls. This property is owned by the City of Beacon and the City put out a RFP to entertain uses for this property. The City of Beacon awarded 23-28 Creek Drive LLC to move forward with this project and has been involved in the development of this proposal. The project will be new to the tax rolls.

Ms. Lee noted the following:

- This project is seeking a mortgage recording and sales tax exemption and a Payment in Lieu of Taxes under the IDA standard 10-year uniform tax exemption policy.
- The applicant plans to use silver LEED building standards in the construction of the building. The project also hopes to promote more foot traffic in the areas by creating more public spaces and extending the Greenway Trail along Fishkill Creek.
- The applicant will also use its own funds to replace the City pipes that runs under the property.

Mr. Cappillino added that a transcript of the public hearing was expedited to him and sent to the board and that the notice of the public hearing was properly posted and published.

Question: Can Mr. Cappillino explain the recapture and claw-back provisions for this project?

Mr. Cappillino noted that these are the standard recapture provisions and proceeded to Exhibit B of the resolution to summarize the descriptions of what the recapture benefits and recapture events entails.

Question: Ms. Lee can you give a report on what the current property, school, and city taxes are currently being paid by this property?

Response: The property is owned by the City of Beacon and does not have any tax revenue at this time.

Chairman Dean added that the method of identifying this particular project was through a RFP done by the City of Beacon and they chose to have this project move forward on this tax exempt parcel and who they would sell it to.

Question: Once the project is fully built out, what would be the expected benefit for the residents in the City of Beacon and Dutchess County in terms of tax revenue?

Response: Once the 10-year PILOT has been terminated, the estimated tax revenue would be \$306,000 annually.

Question: In buying it from the City of Beacon are there any covenants be concerned about? Due to the economic downturn, could time constraints effect the IDA if this project doesn't start on time?

Response: We are using the standard documents. If there is any delay in the start date of the project, they will end up having to pay full taxes on whatever the parcel is assessed at by the City of Beacon. If the project needs an extension on the start date, they could make a request before the board.

Ms. Cappillino noted there is a typo in the "Whereas" clause on pg. 2. The sales tax benefit amount states, "not to exceed \$274,300.00" is correct in Section 8 of the resolution but in the "Whereas" clause on pg. 2, it states, "not to exceed \$274,000.00" which is off by \$300.00.

A motion was made by Mr. Doyle, duly seconded by Mr. Torreggiani to approve the amended Final Resolution with changes to the Whereas clause on pg. 2 of the 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 re-development at 23-28 Creek Drive (the former City of Beacon Public Works Garages) to construct a mixed-used project to be used as residential and commercial space. All voted in favor. Motion carried.

B. Sales Tax Exemptions for COVID-19 Relief Equipment

Chairman Dean noted that there are various organizations within the County's business and economic development sphere that are trying to contribute and help the County during this time of economic challenges. The IDA has been asked to determine and identify ways it can provide some financial relief or incentives to organizations that are either struggling or helping to fight this crisis. He asked Ms. Lee to talk about this initiative that is being proposed.

Ms. Lee noted the IDA has the authority to issue sales tax exemptions. Currently there is a demand for PPE protective equipment and related healthcare and sanitizing supplies as a result of the COVID-19 pandemic. This demand is expected to remain high as the state will require hospitals and healthcare centers as well as places of employment to have these onsite. In addition, the Governor announced that a regional consortium will be created to "work to buy American and develop new in-state suppliers to reduce supply chain risk and drive regional economic development." In order to support and encourage our local businesses with the production and distribution of these supplies and equipment, we are proposing limited sales and used tax exemptions up to \$100,000.00. The Program will apply to the acquisition and installation of machinery and equipment, including manufacturing and production equipment, material handling equipment, racking, shelving, storage and sorting equipment, computers, hardware, software and telecommunication equipment, as well as the renovation, repair, and/or retrofit of existing buildings and facilities necessary for the installation

and operation of such machinery and equipment. In addition, the equipment and other purchases under this Program must be physically located in the Dutchess County in accordance with New York State Law. The program will entail an expedited review process and a special application. The goal of this program is to retain and support our local businesses.

Question: Can you discuss any fees that were reduced or eliminated to expedite and help businesses through this process?

Response: The IDA will waive its administrative fees for businesses that apply and the agency counsel has also agreed to waive it fees. This is a benefit to the applicant. If there is any businesses that may require more tax exemptions than the \$100,000.00, it will be required to go through the regular application process.

Mr. Cappillino noted that Nixon Peabody provided tremendous assistance with this at no cost because they are involved with a similar program in Long Island.

Question: If a business in Dutchess County already purchased equipment, can it be retroactive in any way or must be from the point of approval?


Response: It can only be from the point of approval. If they already purchased equipment, they would not qualify

A motion was made by Mr. Sagliano, duly seconded by Ms. Bauer to approve the Sales Tax Exemptions for COVID-19 Relief Equipment. All voted in favor. Motion carried.

ADJOURNMENT

There being no further business on the agenda, the meeting adjourned at 8:48 a.m.

Respectfully submitted,



Kathleen M. Bauer, Secretary/Treasurer

6/9/2020
Date

Meeting	<u>05-13-2020</u>
Approved	<u>06-04-2020</u>
Certified	<u>06-04-2020</u>

Dutchess County Industrial Development Agency
Balance Sheet
 As of April 30, 2020

	<u>Apr 30, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 · Cash	
1152 · Money Market TD Bank	535,711.32
1155 · CD1- Riverside	252,778.20
1156 · CD2 - Riverside	1,769,472.18
Total 1010 · Cash	<u>2,557,961.70</u>
Total Checking/Savings	<u>2,557,961.70</u>
Total Current Assets	<u>2,557,961.70</u>
Fixed Assets	
1390 · Furniture & Equipment	
1680 · Furniture & Equipment	3,115.81
1710 · Accumulated Depreciation	<u>-3,115.81</u>
Total 1390 · Furniture & Equipment	<u>0.00</u>
Total Fixed Assets	<u>0.00</u>
Other Assets	
1175 · Other Assets	
1310 · Prepaid Expense	3,643.92
Total 1175 · Other Assets	<u>3,643.92</u>
1600 · Escrow Deposits	
1601 · Cricket Valley Escrow Deposit	1,684,873.70
Total 1600 · Escrow Deposits	<u>1,684,873.70</u>
Total Other Assets	<u>1,688,517.62</u>
TOTAL ASSETS	<u><u>4,246,479.32</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · *Accounts Payable	175,000.00
Total Accounts Payable	<u>175,000.00</u>
Total Current Liabilities	<u>175,000.00</u>
Long Term Liabilities	
2300 · Escrow Deposit Liability	
2301 · Cricket Valley Escrow Deposit	1,684,873.70
Total 2300 · Escrow Deposit Liability	<u>1,684,873.70</u>
Total Long Term Liabilities	<u>1,684,873.70</u>
Total Liabilities	<u>1,859,873.70</u>
Equity	
2490 · Fund Balance	
3200 · Fund Balance IDA	<u>-25,000.00</u>
Total 2490 · Fund Balance	<u>-25,000.00</u>
30000 · Opening Balance Equity	1,447,427.47
32000 · Unrestricted Net Assets	1,273,632.31
Net Income	<u>-309,454.16</u>
Total Equity	<u>2,386,605.62</u>
TOTAL LIABILITIES & EQUITY	<u><u>4,246,479.32</u></u>

Dutchess County Industrial Development Agency Profit & Loss Budget vs. Actual January through April 2020

	Jan - Apr 20	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Cash Revenues				
4020 · Administrative Fees	67,034.70	218,750.00	-151,715.30	30.6%
4030 · Application Fees	250.00	750.00	-500.00	33.3%
4035 · Compliance Fees	4,005.00	3,507.00	498.00	114.2%
4150 · PILOT Payments	1,019,329.95			
4910 · Interest	14,813.69	30,000.00	-15,186.31	49.4%
Total 4000 · Cash Revenues	1,105,433.34	253,007.00	852,426.34	436.9%
Total Income	1,105,433.34	253,007.00	852,426.34	436.9%
Expense				
6000 · Expenditures				
6240 · Audit	0.00	14,500.00	-14,500.00	0.0%
6260 · Dues, Publications, Subs	774.45	3,000.00	-2,225.55	25.8%
6280 · Insurance	2,263.00	3,750.00	-1,487.00	60.3%
6350 · Misc	1,710.60	2,000.00	-289.40	85.5%
6450 · PILOT Payments	1,019,329.93			
6500 · Professional Service Contracts	387,500.00	600,000.00	-212,500.00	64.6%
6510 · Professional Services	1,725.00	20,000.00	-18,275.00	8.6%
6520 · Rent	883.41	1,000.00	-116.59	88.3%
6530 · Supplies	40.71	1,000.00	-959.29	4.1%
6550 · Travel & Meetings	660.40	2,500.00	-1,839.60	26.4%
Total 6000 · Expenditures	1,414,887.50	647,750.00	767,137.50	218.4%
Total Expense	1,414,887.50	647,750.00	767,137.50	218.4%
Net Ordinary Income	-309,454.16	-394,743.00	85,288.84	78.4%
Net Income	-309,454.16	-394,743.00	85,288.84	78.4%