

MINUTES

Dutchess County  Industrial Development Agency

*3 Neptune Road, Poughkeepsie, NY 12601  
Tel. # - (845) 463-5400 / Fax # - (845) 463-0100*

**BOARD OF DIRECTORS REGULAR MEETING**

Wednesday, October 14, 2020

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

**Also Present:** Sarah Lee, Executive Director  
Marilyn Yerks, CFO  
Jasmin Haylett, Office Administrator  
Donald Cappillino & Elizabeth Cappillino (Counsel)  
Melaine Rottkamp (Dutchess Tourism)  
Vincent Catalano & Henry Hatfield (Hatfield Metal Fab, LLC)

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On Wednesday, October 14, 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, Amy Bombardieri, 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 potential conflicts of interest was noted.

**PROOF OF MEETING NOTICE**

Meeting notice was published on October 8, 2020

**BILLS AND COMMUNICATIONS**

None

**APPROVAL OF MINUTES**

September 9, 2020

Chairman Dean asked for a motion to approve the September 9, 2020 Minutes of the Dutchess County Industrial Development Agency.

A motion was made by Mr. Torreggiani, duly seconded by Mr. Doyle to approve the DCIDA Board of Directors Meeting Minutes for September 9, 2020. All voted in favor. Motion carried.

### **REPORT OF THE TREASURER**

#### A. Financial Report

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

- Current cash balance is \$2,836,938.30
- The accounts receivable of \$1,206,951.91 are for PILOT payments that were billed
- The accounts payable of \$609,780.61 are for PILOT payments that will be disbursed
- All PILOT payments have been billed
- On the P&L sheet, the income is greater than the expenses due to the PILOT payments. This will zero out once everything has been received and sent out.

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

### **REPORTS OF COMMITTEES**

#### A. Finance Committee-2021 Budget

Ms. Bauer gave a brief overview of the 2020 & 2021 budgets.

##### ***2020 Budget***

Revenues:

- The 2020 estimated year-end total revenue is \$316,692
  - The administrative fees is projected to be at \$281,937 due to three anticipated projects closing.
- Expenditures:

- The audit costs remains the same at \$14,500
- The professional service contracts of \$600,000 includes LDC (\$150,000), Dutchess Tourism (\$425,000) and HV Agribusiness (\$25,000)
- Professional services includes expenses for video recordings and attorney fees

##### ***2021 Budget***

Revenues:

- For 2021 the administrative and application fees is based on three projects
- The compliance fee of \$5,010 is based on 10 projects
- The interest revenue was reduced from \$30,000 to \$8,000 based on the current interest rate

Expenditures:

- Professional service contracts remains the same at \$600,000

Question: Historically, how is the administrative fee estimated?

Response: Historically, the estimated fee is based on three projects. \$218,750 is a five year average administrative fee amount collected annually minus the Cricket Valley project.

A motion was made by Mr. Sagliano, duly seconded by Mr. Torreggiani to accept the 2021 IDA budget as presented. All voted in favor. Motion carried.

##### ***Paris 5 Year Budget***

Question: At the end of each year there is a proposed deficit, how do we overcome these annual budget deficits?

Response: Historically, the IDA has always projected a deficit but some years there is no deficit. The fund balance is utilized for the years when there is a deficit. Based on the 2019 audit, the fund balance

was \$4.4 million but \$1.7 million is in a Cricket Valley escrow so the fund balance is actually \$2.6 million.

A motion was made by Mr. Sagliano, duly seconded by Mr. Doyle to accept the 2020 Paris 5 Year Budget as presented for submission to PARIS. All voted in favor. Motion carried.

**UNFINISHED BUSINESS**

None

**NEW BUSINESS**

- A. For Consideration and Approval of a Resolution concerning Phase I of the Eastdale Village Project (Town of Poughkeepsie) Authorizing the Executive Director to execute certain documents in connection with Eastdale Residential I, LLC's refinancing transaction.

Ms. Cappillino noted the following about the project:

- Eastdale Residential I LLC is requesting the board's approval for its permanent financing documents
- This transaction originally closed back in February 2019
- The IDA entered into a lease agreement with Eastdale Residential I for Phase I of the Eastdale project
- The lease agreement authorizes the IDA to enter into these financing arrangements. The mortgage is going to be backed by Freddie Mack.
- Eastdale is asking for the IDA's approval upfront in the event of foreclosure so that the lease agreement and all its rights be assigned to the lender, Freddie Mack for a specific set of parties to expedite the foreclosure process. They are asking for this approval upfront so they won't have to come back to the board in the event of a foreclosure.

Question: This is not abridging any rights that we have had since the beginning of this project and contract?

Response: Right, this is just in the event that the company defaults. Eastdale Residential I LLC is fully owned by MHTC Development. This document provides approval from the board upfront so they don't need to come before the board again for benefits. There is a mortgage tax allocation on the gap mortgage. There is about an \$8 million difference between the original mortgage amount and this mortgage amount which is referenced in the resolution.

A motion was made by Mr. Doyle, duly seconded by Mr. Piccone to approve the Resolution concerning Phase I of the Eastdale Village Project (Town of Poughkeepsie) Authorizing the Executive Director to execute certain documents in connection with Eastdale Residential I, LLC's refinancing transaction. All voted in favor. Motion carried.

- B. Presentation by Dutchess Tourism on 3<sup>rd</sup> quarter activity

Ms. Rottkamp gave a brief overview of the following activities:

- Promoted staycations
- Shopping local marketing safe travel
- Boutique hotel properties
- Rural drive market leisure destination
- Marketing and Advertising
  - Agritourism Marketing
  - Business Support
  - Expanded Social Media Reach

- International Marketing
- Arts Mid-Hudson
  - Partners in the arts
  - AMH Gallery & arts events
  - Folk arts programming
- Hudson Valley Film Commission
  - Key efforts

Question: Can you comment on the bed tax collection for this year?

Response: We will not receive the 3<sup>rd</sup> quarter numbers for about another week. They are not good at all. Things are picking up but we will not be able to make up for the loss in the 1<sup>st</sup> and 2<sup>nd</sup> quarters.

C. Presentation by Think Dutchess on 3<sup>rd</sup> quarter activity

Ms. Lee gave a brief overview of the following:

- Business Attraction
  - Received 30 inquiries
  - Closed on two deals
  - Vacancy rates
- Business Retention & Expansion
  - Technical assistance
  - Assisted businesses filing for MWBE
  - Workshops & events
- Marketing & Public Relations
  - Ambassador program
  - Social media growth
  - Earned media placements
  - COVID-19 resource page
  - BNN survey
- Project closed

D. Update on Hatfield Metal Fab, LLC

Ms. Lee introduced Mr. Hatfield and Mr. Catalano, attorney for Hatfield Metal and proceed to note the following about the project:

- This project was approved by the board back in 2018 for sales tax and a pilot
- Hatfield is a metal fab manufacturing located in the Town of LaGrange
- This is for a 30,000 sq. ft. expansion for Hatfield to retain its 52 FTEs and create 12 new FTEs
- This is an expansion to their welding department and would allow them to attract larger projects
- This building will allow Hatfield to remain competitive and maintain its existing clients

Mr. Catalano noted the following

- The building itself is a 30,000 sq. ft. metal structure and would be an adjunct to the existing welding facility
- The new structure will accommodate larger projects that the current structure is not able to handle
- The original application that was submitted only requested sales tax exemption for approximately \$200,000
- As bid prices were coming in from contractors, Hatfield realized it could also qualified for a sales tax exemption for the materials that were purchased by the contractors because the bid prices from the contractors was being incorporated into the sales tax the contractors had to pay on those materials.

- The revised application includes the cost for the materials and the amount of money that would be saved if sales tax exemption was received for these materials

Questions and discussions ensued about the total cost of the project.

To clarify the confusion about the total cost of the project, Ms. Lee will work with Mr. Hatfield and his team to get more clarity about the actual cost of the project.

**ADJOURNMENT**

There being no further business to discuss on the agenda, the meeting was adjourned by Chairman Dean at 9:17 a.m.

Respectfully submitted,

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Kathleen M. Bauer, Secretary/Treasurer

\_\_\_\_\_  
Date

<b>Meeting</b>	<u>10-14-2020</u>
<b>Approved</b>	<u>11-12-2020</u>
<b>Certified</b>	<u>11-12-2020</u>

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

	<u>Sep 30, 20</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1010 · Cash	
1152 · Money Market TD Bank	798,523.92
1155 · CD1- Riverside	254,793.87
1156 · CD2 - Riverside	1,783,620.51
<b>Total 1010 · Cash</b>	<u>2,836,938.30</u>
<b>Total Checking/Savings</b>	2,836,938.30
<b>Accounts Receivable</b>	
11000 · Accounts Receivable	1,206,951.91
<b>Total Accounts Receivable</b>	<u>1,206,951.91</u>
<b>Total Current Assets</b>	4,043,890.21
<b>Fixed Assets</b>	
1390 · Furniture & Equipment	
1680 · Furniture & Equipment	3,115.81
1710 · Accumulated Depreciation	<u>-3,115.81</u>
<b>Total 1390 · Furniture &amp; Equipment</b>	<u>0.00</u>
<b>Total Fixed Assets</b>	0.00
<b>Other Assets</b>	
1175 · Other Assets	
1310 · Prepaid Expense	3,643.92
<b>Total 1175 · Other Assets</b>	3,643.92
1600 · Escrow Deposits	
1601 · Cricket Valley Escrow Deposit	1,718,427.68
<b>Total 1600 · Escrow Deposits</b>	<u>1,718,427.68</u>
<b>Total Other Assets</b>	<u>1,722,071.60</u>
<b>TOTAL ASSETS</b>	<u><u>5,765,961.81</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
20000 · *Accounts Payable	609,780.61
<b>Total Accounts Payable</b>	<u>609,780.61</u>
<b>Total Current Liabilities</b>	609,780.61
<b>Long Term Liabilities</b>	
2300 · Escrow Deposit Liability	
2301 · Cricket Valley Escrow Deposit	1,718,427.68
<b>Total 2300 · Escrow Deposit Liability</b>	<u>1,718,427.68</u>
<b>Total Long Term Liabilities</b>	<u>1,718,427.68</u>
<b>Total Liabilities</b>	2,328,208.29
<b>Equity</b>	
2490 · Fund Balance	
3200 · Fund Balance IDA	-25,000.00
<b>Total 2490 · Fund Balance</b>	-25,000.00
30000 · Opening Balance Equity	1,447,427.47
32000 · Unrestricted Net Assets	1,273,632.31

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

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	<u>Sep 30, 20</u>
Net Income	741,693.74
Total Equity	<u>3,437,753.52</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>5,765,961.81</u></b>

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

	Jan - Sep 20	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4000 · Cash Revenues				
4020 · Administrative Fees	108,259.25	218,750.00	-110,490.75	49.5%
4030 · Application Fees	750.00	750.00	0.00	100.0%
4035 · Compliance Fees	4,005.00	3,507.00	498.00	114.2%
4150 · PILOT Payments	6,104,425.27			
4910 · Interest	32,021.50	30,000.00	2,021.50	106.7%
<b>Total 4000 · Cash Revenues</b>	<b>6,249,461.02</b>	<b>253,007.00</b>	<b>5,996,454.02</b>	<b>2,470.1%</b>
<b>Total Income</b>	<b>6,249,461.02</b>	<b>253,007.00</b>	<b>5,996,454.02</b>	<b>2,470.1%</b>
<b>Expense</b>				
6000 · Expenditures				
6240 · Audit	0.00	14,500.00	-14,500.00	0.0%
6260 · Dues, Publications, Subs	1,274.45	3,000.00	-1,725.55	42.5%
6280 · Insurance	2,263.00	3,750.00	-1,487.00	60.3%
6350 · Misc	2,918.21	2,000.00	918.21	145.9%
6450 · PILOT Payments	4,897,473.34			
6500 · Professional Service Contracts	600,000.00	600,000.00	0.00	100.0%
6510 · Professional Services	1,999.13	20,000.00	-18,000.87	10.0%
6520 · Rent	883.41	1,000.00	-116.59	88.3%
6530 · Supplies	160.34	1,000.00	-839.66	16.0%
6550 · Travel & Meetings	795.40	2,500.00	-1,704.60	31.8%
<b>Total 6000 · Expenditures</b>	<b>5,507,767.28</b>	<b>647,750.00</b>	<b>4,860,017.28</b>	<b>850.3%</b>
<b>Total Expense</b>	<b>5,507,767.28</b>	<b>647,750.00</b>	<b>4,860,017.28</b>	<b>850.3%</b>
<b>Net Ordinary Income</b>	<b>741,693.74</b>	<b>-394,743.00</b>	<b>1,136,436.74</b>	<b>-187.9%</b>
<b>Net Income</b>	<b>741,693.74</b>	<b>-394,743.00</b>	<b>1,136,436.74</b>	<b>-187.9%</b>



**Dutchess County Industrial Development Agency**

<b>IDA</b>	<b>2019</b>	<b>2020</b>	<b>2020</b>	<b>2021</b>
	<b>Audited</b>	<b>Budget</b>	<b>Estimated</b>	<b>Proposed</b>
			<b>EOY</b>	<b>Budget</b>
<b>Revenues:</b>				
1 Administration Fees	400,008	218,750	281,937	218,750
2 Application Fees	750	750	750	750
3 Compliance Fees	2,505	3,507	4,005	5,010
4 Interest	57,399	30,000	30,000	8,000
<b>Total Revenue</b>	<b>460,662</b>	<b>253,007</b>	<b>316,692</b>	<b>232,510</b>
<b>Expenditures:</b>				
5 Audit	14,500	14,500	14,500	14,500
6 Dues, pub, sub	2,773	3,000	3,000	3,000
7 Insurance	3,723	3,750	3,750	3,750
8 Misc/Other	1,824	2,000	3,000	2,000
9 Professional Service Contracts	2,102,500	600,000	600,000	600,000
10 Professional Services	10,415	20,000	20,000	20,000
11 Rent	996	1,000	1,000	1,000
12 Supplies	795	1,000	500	1,000
13 Travel & Meeting	1,717	2,500	1,000	2,500
<b>Total Expense</b>	<b>2,139,242</b>	<b>647,750</b>	<b>646,750</b>	<b>647,750</b>
Excess Income /Expense	(1,678,580)	(394,743)	(330,058)	(415,240)

	<b>2019</b>	<b>2020</b>	<b>2020</b>	<b>2021</b>
	<b>Audited</b>	<b>Budget</b>	<b>Estimated</b>	<b>Proposed</b>
			<b>EOY</b>	<b>Budget</b>
9 <u>Professional Service Contracts</u>				
LDC	601,500	150,000	150,000	150,000
DTI	1,476,000	425,000	425,000	425,000
HV Agri	25,000	25,000	25,000	25,000
	<b>2,102,500</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>
<b>DTI</b>	1,361,000	300,000	300,000	300,000
MidHudson Arts	100,000	100,000	100,000	100,000
HV Film	25,000	25,000	25,000	25,000
	<b>1,486,000</b>	<b>425,000</b>	<b>425,000</b>	<b>425,000</b>
10 <u>Professional Services</u>				
Video services	10,000	10,000	10,000	10,000
Cappillino, Rothchild & Egan, LLP		10,000	10,000	10,000

## Dutchess County Industrial Development Agency 2021 Budget Narrative

### Revenues:

1. *Administrative Fees* is estimated on revenue from three projects closing in 2021.
2. *Application Fees* is estimated on 3 application submissions
3. *Compliance Fees* is estimated on 10 active projects that are subject to the fee
4. *Interest* is based on short term investment interest

### Expenditures:

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

## Dutchess County Industrial Development Agency

Paris 5 Year Budget

Year: 2020

	Last Year (Actual) <b>2019</b>	Current Year (Estimated) <b>2020</b>	Next Year (Proposed) <b>2021</b>	Proposed <b>2022</b>	Proposed <b>2023</b>	Proposed <b>2024</b>
<b>Operating Revenues:</b>						
Charges for services	\$403,263	\$286,692	\$224,510	\$229,000	\$233,580	\$238,252
Rentals & Financing Income	\$0	\$0	\$0	\$0	\$0	\$0
Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0
	<u>\$403,263</u>	<u>\$286,692</u>	<u>\$224,510</u>	<u>\$229,000</u>	<u>\$233,580</u>	<u>\$238,252</u>
<b>Nonoperating Revenues:</b>						
Investment earnings	\$57,399	\$30,000	\$8,000	\$10,000	\$10,000	\$10,000
State Subsidies / Grants	\$0	\$0	\$0	\$0	\$0	\$0
Federal Subsidies / Grants	\$0	\$0	\$0	\$0	\$0	\$0
Municipal Subsidies / Grants	\$0	\$0	\$0	\$0	\$0	\$0
Public Authority Subsidies	\$0	\$0	\$0	\$0	\$0	\$0
Other Non-Operating Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds From The Issuance of Debt	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Revenue</b>	<b>\$460,662</b>	<b>\$316,692</b>	<b>\$232,510</b>	<b>\$239,000</b>	<b>\$243,580</b>	<b>\$248,252</b>
<b>Operating Expenditures:</b>						
Salaries and Wages	\$0	\$0	\$0	\$0	\$0	\$0
Other Employee Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Professional Services Contracts	\$2,102,500	\$600,000	\$614,500	\$615,000	\$615,000	\$615,000
Supplies and Materials	\$795	\$500	\$1,000	\$1,000	\$1,000	\$1,000
Other Operating Expenses	\$35,947	\$46,250	\$32,250	\$40,000	\$41,000	\$42,000
<b>Total Expense</b>	<b>\$2,139,242</b>	<b>\$646,750</b>	<b>\$647,750</b>	<b>\$656,000</b>	<b>\$657,000</b>	<b>\$658,000</b>
<b>Nonoperating Expenditures:</b>						
Other Non-Operating Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Expense</b>	<b>\$2,139,242</b>	<b>\$646,750</b>	<b>\$647,750</b>	<b>\$656,000</b>	<b>\$657,000</b>	<b>\$658,000</b>
Excess Income /Expense	(\$1,678,580)	(\$330,058)	(\$415,240)	(\$417,000)	(\$413,420)	(\$409,748)