

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

Thursday, November 12, 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)
Joe Kirchhoff, John Hettinger & Catherine Durland (Eastdale Phase II-H)
Henry Hatfield (Hatfield Metal Fab, LLC)
Kate Roberts (Asahishuzo)
Kelly Libolt, Matthew Earl, Patrick Gartland & Louis Reynolds (Violet Estates)
John DiCola, Ryan Kelly, Bob Ryan, Brad Griggs & Nicholas D'Alessandro (USEF Tioranda)

On Thursday, November 12, 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.

AMEND THE AGENDA

Ms. Lee asked for a motion to amend the agenda to remove item A under new business off the agenda because a public hearing was not held.

A motion was made by Mr. Sagliano, duly seconded by Mr. Doyle to remove agenda item A under new business off the agenda. All voted in favor. Motion carried.

PROOF OF MEETING NOTICE

Meeting notice was published on November 5, 2020.

BILLS AND COMMUNICATIONS

None

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APPROVAL OF MINUTES

October 14, 2020

Chairman Dean asked for a motion to approve the October 14, 2020 Minutes of the Dutchess County Industrial Development Agency.

A motion was made by Mr. Sagliano, duly seconded by Mr. Torreggiani to approve the DCIDA Board of Directors Meeting Minutes for October 14, 2020. All voted in favor. Motion carried.

REPORT OF THE TREASURER

A. Financial Report

Ms. Yerks reported on the October 31, 2020 Balance Sheet and Profit & Loss Budget

- Current cash balance is \$2,404,351.57
- The P&L has a negative net income of \$464,064.29
- All PILOT payments came in and were disbursed

A motion was made by Mr. Torreggiani, duly seconded by Mr. Piccone to approve the October 31, 2020 financials as presented. All voted in favor. Motion carried.

REPORTS OF COMMITTEES

A. Finance & Audit Committee

- For Consideration and Approval of Agency Auditing Services

Ms. Yerks noted the following:

- The IDA By-Laws requires that RFPs be sent out every three years for audit services
- Seven requests for proposals were sent out and three firms expressed initial interest and two submitted proposals. RBT was one of the firms.
- For the past three years, RBT has charged \$12,000 per year. For 2020 they are proposing \$12,500, for 2021 \$12,700, and for 2022 \$12,900.
- The other proposal was from Prager Metis. Their proposal for 2020, 2021 and 2022 was \$20,000 for each year.
- The committee would like to recommend RBT CPA as the audit services for the LDC for the next three years

A motion was made by Mr. Doyle, duly seconded by Ms. Bauer to approve the recommendation to appoint RBT CPA as the auditing firm for the IDA for the next three years. All voted in favor. Motion carried.

- Chairman Dean noted that the Finance and Audit Committee would like to add a new member to the committee and is recommending Jamie Piccone.

A motion was made by Mr. Sagliano, duly seconded by Mr. Doyle to appoint Jamie Piccone to the IDA Finance & Audit Committee. All voted in favor. Motion carried.

UNFINISHED BUSINESS

None

NEW BUSINESS

- A. For Consideration and Approval of a Final Resolution concerning Phase II-G of the Eastdale Village Project (Town of Poughkeepsie) Authorizing a Lease and Project Agreement providing for the allocation of a portion of the Mortgage Tax Exemption and Sales Tax Exemption previously granted to MHTC Development, LLC to 43 Eastdale Avenue, LLC and providing the PILOT Schedule for Phase II-G of the Project.

This resolution was adjourned for a future meeting.

- B. For Consideration and Approval of a Final Resolution concerning Phase II-H of the Eastdale Village Project (Town of Poughkeepsie) Authorizing a Lease and Project Agreement providing for the allocation of a portion of the Mortgage Tax Exemption and Sales Tax Exemption previously granted to MHTC Development, LLC to 39 Eastdale Avenue, LLC and providing the PILOT Schedule for Phase II-H of the Project.

Ms. Lee noted the following about this project:

- Eastdale also known as MHTC is requesting approval to allocate a portion of its previously approved benefits to 39 Eastdale Avenue LLC
- This newly created LLC will own approximately 2,000 or more square feet of mixed-use building that will house first floor commercial and one residential unit above
- A public hearing was held on Tuesday morning and a copy of the transcript and written comments was sent to the board for their review

A motion was made by Mr. Torreggiani, duly seconded by Mr. Piccone to approve the Final Resolution concerning Phase II-H of the Eastdale Village Project (Town of Poughkeepsie) Authorizing a Lease and Project Agreement providing for the allocation of a portion of the Mortgage Tax Exemption and Sales Tax Exemption previously granted to MHTC Development, LLC to 39 Eastdale Avenue, LLC and providing the PILOT Schedule for Phase II-H of the Project. All voted in favor. Motion carried.

- C. For Consideration and Approval of a Supplemental Resolution authorizing an amendment to the Sales Tax Exemption for the Hatfield Metal Fab, Inc Project (Town of LaGrange).

Chairman Dean noted that project came before the board for some discussion and there were questions about the significant change in the original amount and those questions were answered.

Ms. Lee noted the following:

- The original application only included the cost of the shell of the building
- They are asking for additional sales tax exemptions as it relates to the project

Questions, responses and comments ensued.

A motion was made by Mr. Doyle, duly seconded by Ms. Bauer to approve the Supplemental Resolution authorizing an amendment to the Sales Tax Exemption for the Hatfield Metal Fab, Inc Project (Town of LaGrange). All voted in favor. Motion carried.

- D. For Consideration and Approval of a Supplemental Resolution authorizing an amendment to the Completion Date and an extension of the Sales Tax Exemption for the Asahishuzo Project (Town of Hyde Park) as a result of the project suspension due to the impact of COVID-19.

Ms. Lee noted the following:

- In April, Asahishuzo notified the IDA and the Town of Hyde Park that due to the global impact of COVID-19, Asahishuzo will be to suspending construction on the project
- Asahishuzo's sales tax expired on October 31, 2020 and the project remains suspended.
- They are requesting an extension to the expiration date for December 31, 2021
- This is not an increase in benefit. It is just an extension of the sales tax expiration date.

Question: Do you have any information about when work is anticipated to start again?

Response: The date for resuming construction has not been determined. There is ongoing maintenance on the property and they intend to restart construction when it is economically feasible. When a date is determined to restart, the board will be informed.

Further questions, responses and comments ensued.

Mr. Sagliano noted that there is a typo on page 428 of the packet, at the bottom of page 2, section 1 of the Resolution Authorizing Amendment to Lease Agreement, it states, "*approves the extension of the Completion Date to no later than December 31, 2020.*" It should be 2021 not 2020 and he doesn't think a 12-month extension is enough time.

Chairman Dean noted that since the amendment states that the actual date of construction completion is June 2022, he suggests that the current extension date be the same.

A motion was made by Mr. Sagliano, duly seconded by Mr. Piccone to amend section 1 on page 2 of the Resolution Authorizing Amendment to Lease Agreement to state "*approves the extension of the Completion Date to no later than June 30, 2022.*" All voted in favor. Motion carried.

A motion was made by Mr. Sagliano, duly seconded by Mr. Torreggiani to amend the second to the last whereas on page 2 of the Resolution Authorizing Amendment to Lease Agreement to state "*an extension of the Completion Date to June 30, 2022.*" All voted in favor. Motion carried.

A motion was made by Mr. Sagliano, duly seconded by Mr. Piccone to approve the amendments as noted above to the Supplemental Resolution authorizing an amendment to the Completion Date and an extension of the Sales Tax Exemption for the Asahishuzo Project (Town of Hyde Park) as a result of the project suspension due to the impact of COVID-19. All voted in favor. Motion carried.

- E. For Consideration and Approval of a Preliminary Resolution for USEF Tioranda, LLC and Amazon.com Services LLC (Town of East Fishkill) to induce a Project providing for a Mortgage Tax Exemption, Sales Tax Exemption and a Payment in Lieu of Taxes for an approximately \$135,500,000 project for construction and re-development at the former west campus IBM site to construct a new warehouse/distribution center of approximately 629,186,000 sq. feet.

Ms. Lee noted the following about this project and resolution:

- USEF and its development partner, Bluewater Properties Group proposes to invest over \$135,000,000 to construct a 629,186 sq. ft. warehouse and distribution center for its proposed tenant Amazon.com Services LLC at the former IBM West Campus site
- They are requesting a mortgage tax abatement, a sales tax exemption and a deviated PILOT
- The project is projected to create 500 direct permanent jobs and 200 direct constructions jobs
- This site has been vacant for over 20 years
- The town rezoned this site to encourage economic development
- It is a 15 year PILOT and has the support of the town and school district

Members of the project from Bluewater and Amazon proceeded to give a brief overview of what the project entails, the site and why it was chosen and how they will be collaborating with each other to make this project possible.

Questions, responses and comments ensued.

A motion was made by Ms. Bauer, duly seconded by Mr. Torreggiani to approve the Preliminary Resolution for USEF Tioranda, LLC and Amazon.com Services LLC (Town of East Fishkill) to induce a Project providing for a Mortgage Tax Exemption, Sales Tax Exemption and a Payment in Lieu of Taxes for an approximately \$135,500,000 project for construction and re-development at the former west campus IBM site to

construct a new warehouse/distribution center of approximately 629,186,000 sq. feet. All voted in favor. Motion carried.

- F. For Consideration and Approval of a Preliminary Resolution for Violet Estates LLC (Town of Poughkeepsie) to induce a Project providing for a Mortgage Tax Exemption, Sales Tax Exemption and a Payment in Lieu of Taxes for an approximately \$18,000,000 project for construction of a multifamily community consisting of 84 residential and 7,100 square feet of commercial units over six buildings. The residential community will be age restricted to those aged 55 and over.

Ms. Lee noted the following about this new project and resolution:

- Reynolds Asset Management proposes to construct a \$18 million age restricted mixed use project in the Town of Poughkeepsie, Hyde Park School District
- They are requesting a mortgage abatement, sales tax exemption and deviated PILOT
- This PILOT is unique because it a bifurcated PILOT. The town portion follows the standard UTEP and the school district portion is a 15-year PILOT starting at 50%.
- This project has the support of the town and the school district

Mr. Reynolds proceeded to give a brief overview of the company and the project.

Questions, responses and comments ensued

A motion was made by Mr. Piccone, duly seconded by Ms. Bauer to approve the Preliminary Resolution for Violet Estates LLC (Town of Poughkeepsie) to induce a Project providing for a Mortgage Tax Exemption, Sales Tax Exemption and a Payment in Lieu of Taxes for an approximately \$18,000,000 project for construction of a multifamily community consisting of 84 residential and 7,100 square feet of commercial units over six buildings. The residential community will be age restricted to those aged 55 and over. All voted in favor. Motion carried.

ANNOUNCEMENT

Ms. Lee announced that the video of the Business Excellence Awards will be released next Thursday and that a link will be sent to the board.

ADJOURNMENT

There being no further business to discuss on the agenda, the meeting was adjourned by Chairman Dean at 9:27 a.m.

Respectfully submitted,

Kathleen M. Bauer, Secretary/Treasurer

Date

Meeting	<u>11-12-2020</u>
Approved	<u>12-09-2020</u>
Certified	<u>12-09-2020</u>

Dutchess County Industrial Development Agency

Balance Sheet

11/05/20

As of October 31, 2020

Accrual Basis

	Oct 31, 20
ASSETS	
Current Assets	
Checking/Savings	
1010 · Cash	
1152 · Money Market TD Bank	363,896.86
1155 · CD1- Riverside	254,922.69
1156 · CD2 - Riverside	1,784,532.02
Total 1010 · Cash	2,403,351.57
Total Checking/Savings	2,403,351.57
Total Current Assets	2,403,351.57
Fixed Assets	
1390 · Furniture & Equipment	
1680 · Furniture & Equipment	3,115.81
1710 · Accumulated Depreciation	-3,115.81
Total 1390 · Furniture & Equipment	0.00
Total Fixed Assets	0.00
Other Assets	
1175 · Other Assets	
1310 · Prepaid Expense	3,643.92
Total 1175 · Other Assets	3,643.92
1600 · Escrow Deposits	
1601 · Cricket Valley Escrow Deposit	1,718,791.55
Total 1600 · Escrow Deposits	1,718,791.55
Total Other Assets	1,722,435.47
TOTAL ASSETS	4,125,787.04
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · *Accounts Payable	175,000.00
Total Accounts Payable	175,000.00
Total Current Liabilities	175,000.00
Long Term Liabilities	
2300 · Escrow Deposit Liability	
2301 · Cricket Valley Escrow Deposit	1,718,791.55
Total 2300 · Escrow Deposit Liability	1,718,791.55
Total Long Term Liabilities	1,718,791.55
Total Liabilities	1,893,791.55
Equity	
2490 · Fund Balance	
3200 · Fund Balance IDA	-25,000.00
Total 2490 · Fund Balance	-25,000.00
30000 · Opening Balance Equity	1,447,427.47
32000 · Unrestricted Net Assets	1,273,632.31
Net Income	-464,064.29
Total Equity	2,231,995.49
TOTAL LIABILITIES & EQUITY	4,125,787.04

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

	Jan - Oct 20	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
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	6,493,978.01			
4910 · Interest	33,542.89	30,000.00	3,542.89	111.8%
Total 4000 · Cash Revenues	6,640,535.15	253,007.00	6,387,528.15	2,624.6%
Total Income	6,640,535.15	253,007.00	6,387,528.15	2,624.6%
Expense				
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	6,493,977.99			
6500 · Professional Service Contracts	600,000.00	600,000.00	0.00	100.0%
6510 · Professional Services	2,173.39	20,000.00	-17,826.61	10.9%
6520 · Rent	883.41	1,000.00	-116.59	88.3%
6530 · Supplies	313.59	1,000.00	-686.41	31.4%
6550 · Travel & Meetings	795.40	2,500.00	-1,704.60	31.8%
Total 6000 · Expenditures	7,104,599.44	647,750.00	6,456,849.44	1,096.8%
Total Expense	7,104,599.44	647,750.00	6,456,849.44	1,096.8%
Net Ordinary Income	-464,064.29	-394,743.00	-69,321.29	117.6%
Net Income	-464,064.29	-394,743.00	-69,321.29	117.6%