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Tim Dean: Okay, I think we're ready to get started. Good morning everyone, I'd like to call the meeting of the Dutchess County IDA to order and Jasmin could you please take the roll call of the board members, please?

Jasmin Haylett: Tim Dean

Tim Dean: Present

Jasmin H: Mark Doyle

Mark Doyle: Here

Jasmin H: Kathy Bauer

Kathy Bauer: Present

Jasmin H: Amy Bombardieri

Amy Bombardieri: Present

Jasmin H: Jamie Piccone

Jamie Piccone: Here

Jasmin H: Don Sagliano

Don Sagliano: Here

Jasmin H: Al Torreggiani

Al Torreggiani:

Tim Dean: It appears that Al is not here but hopefully he'll be joining us soon. The first thing on our agenda is just a review of the conflict of interest statement. If anybody on the board has a conflict with any of the items that come before us this morning, I would appreciate it if you could let us know now and I will start myself by saying that I do have a conflict of interest on both items on the agenda, both 9B and 9C for North Cross, LLC. My firm has provided some insurance advisory services on another project which they are involved with and may on this one, so I need to recuse myself and then on Built Parcel Three and Four, we are the insurance agent for those projects, so again, I will have to recuse myself and Mark Doyle will handle those. Does any other board member have a conflict they'd like to state now, Don Sagliano?

Don Sagliano: Thank you Mr. Chairman, I have a conflict with item 8A. The organization I work for is a tenant in that location.

Tim Dean: Thank you, 9A is what I think you mean.

Don Sagliano: 9A

Tim Dean: Yes

Don Sagliano: I thought it was 8A.

Tim Dean: 8 is unfinished business.

Don Sagliano: Oh, then maybe I don't have a current agenda.

Tim Dean: Okay, so at any rate, it is the Poughkeepsie Industrial Partner project?

Don Sagliano: Correct

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Tim Dean: Okay, anybody else?

Amy Bombardieri: This is Amy I also have a conflict with North Cross.

Tim Dean: Okay and Amy what is your conflict on that?

Amy Bombardieri: My firm is working on the projects.

Tim Dean: Okay, so Sarah again, I would just ask that you confirm that as we come to those projects that we still have a quorum as needed for any approvals.

Sarah Lee: I just also want to say that Al Torreggiani is at the meeting, he's on the call.

Tim Dean: Okay

Sarah Lee: He is represented by, I believe, phone number ending in 217.

Tim Dean: Okay. Great and so does Al have any conflict of interest?

Al Torreggiani: Okay, can you hear me?

Tim Dean: Yes, I can.

Al Torreggiani: All right.

Tim Dean: Okay, Al in between your comments, I'd ask that you mute your phone so that we avoid feedback. Okay, so Sarah the proof of needing notice was posted for this meeting?

Sarah Lee: Yes

Tim Dean: Okay, next is approval of minutes and does anybody have any corrections or modifications that need to be made to the minutes before we vote on their approval, Sarah?

Sarah Lee: Yes, I have corrections to the April 14th minutes. There are about three of them and they are the following: on the list of meeting attendance, it lists Dan O'Neill was present but the correct name of the person was Finn O'Neill.

Tim Dean: Okay

Sarah Lee: Under the conflict of interest disclosure, it states that Miss Bombardieri noted that she had a conflict with Fox Run, but the project actually should be North Cross.

Tim Dean: Okay

Sarah Lee: And then under new business, item for North Cross, it stated that Chairman Dean had a conflict of interest because a member of a firm had discussions with principles at Fox Run. It should be North Cross not Fox Run.

Tim Dean: Okay. All right, is there?

Mark Doyle: I have a question or an issue that I'd like to raise on the minutes.

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Tim Dean: Sure Mark

Mark Doyle: And that was to do with the vote to reconsider. The way the minutes is laid out is that we took two votes and three motions, so with respect to the item about the motion to reconsider, if we could simply add that a roll call vote was taken and the motion to reconsider was passed, then that would complete the sequence.

Tim Dean: I just want to make sure that that's the way we would do that, Don Cappillino?

Donald Cappillino: Yeah, that's what happened, yes.

Tim Dean: Okay, I'm just asking because I wasn't present for that part of the meeting.

Mark Doyle: Thank you.

Tim Dean: Is there any other changes and modifications that need to be made? Okay, if I could get a board member to make a motion to approve the minutes as corrected.

Mark Doyle: So moved

Tim Dean: Thank you Mark Doyle. Could I get a second please?

Jamie Piccone: Second

Tim Dean: Thank you Jamie Piccone. Okay, Jasmin would you please take a roll call vote for that?

Jasmin H: Al Torreggiani

Al Torreggiani: Approved

Jasmin H: Don Sagliano

Don Sagliano: Abstain, I was not present for the April 14th meeting.

Jasmin H: Jamie Piccone

Jamie Piccone: Approved

Jasmin H: Amy Bombardieri

Amy Bombardieri: Approved

Jasmin H: Kathy Bauer

Kathy Bauer: Approved

Jasmin H: Mark Doyle

Mark Doyle: Approved

Jasmin H: Tim Dean

Tim Dean: Approved

Tim Dean: Thank you. Okay, report of the treasurer.

Marilyn Yerks: This is Marilyn speaking. Looking at the balance sheet, we currently have \$2.5 million in cash. Looking at the P&L, we are looking pretty good right now. We currently are ahead on our admin fees versus the budget at \$512,000. There's really nothing noteworthy to mention. If anybody has any questions?

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Tim Dean: I do not. Okay and this is for information purposes, there's nothing that we need to approve in that part of our report. Sarah are there any reports of committees?

Sarah Lee: None at this time.

Tim Dean: Okay, is there any unfinished business?

Sarah Lee: No

Tim Dean: Okay, so that takes us to our new business. The first is for consideration and approval of a final resolution for Poughkeepsie Industrial Park, LLC and Air Protection Packaging Corp.

Sarah Lee: Tim

Tim Dean: Yes

Sarah Lee: What we are going to do is we are going to move Don Sagliano to the waiting room.

Tim Dean: Okay, thank you, I apologize.

Sarah Lee: Okay, he has been moved to the waiting room.

Tim Dean: Okay, so again we are here for the consideration approval of a final resolution for Poughkeepsie Industrial Park, LLC and Air Protection Packaging Corp. Sarah do you want to kick or do somebody else?

Sarah Lee: Sure, I can kick it off. So AP Packaging is in front of the board today for consideration of the final resolution. They are proposing to invest over \$12 million at 900 Dutchess Turnpike in the Town of Poughkeepsie to purchase approximately 58 acres of land and three existing structures which sits on that land. The largest building consists of 353,000 square feet, which would undergo renovations and reconstruction to accommodate the company's corporate headquarters and manufacturing operations, which would occupy initially 165,000 square feet of the building. The project is projected to create 105 new jobs in Dutchess County. They are seeking approval for sales tax exemptions, mortgage tax exemptions and a 15-year pilot. The public hearing was held on April 12th. The project has received written consent of the deviated pilots from the school district and the town and copies of the approval resolutions have been forwarded to the board.

Tim Dean: Okay and Sarah would you mind, if it is okay, touching on some of the aspects of this project that specifically address some of our targeted clusters and priorities in the County?

Sarah Lee: Sure, so AP Packaging is a manufacturer of what's commonly known as bubble wrap. Manufacturing is a priority industry for Dutchess County. The ripple effect from manufacturing jobs are quite high and historically the salaries from manufacturing jobs are desirable. So they are a company that is located outside of New York State and they are looking to move to Dutchess County as a place to establish themselves for the long-term by purchasing a building and slowly increase their occupancy in that building as they grow.

Tim Dean: Great. Does anybody have any questions from the board about this project? We did see it for preliminary approval prior to this.

Sarah Lee: And Tim, this is Sarah. We do have Kelly Libolt representing the applicant at this meeting so she's here also to answer any questions.

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Tim Dean: Thank you. Okay, again, members of the board, does anybody have any additional questions or comments for this applicant? Okay. Kelly did you want to add anything at this point?

Kelly Libolt: No, I don't think we have anything further to offer unless the board has any questions we're happy to answer those but we appreciate your help with this issue.

Tim Dean: Okay. All right, so if there are no further questions, I would ask for a motion from the board to approve this project.

Amy Bombardieri: This is Amy, I'll make a motion.

Tim Dean: Thank you Amy. Can I get a second, please?

Kathy Bauer: I'll make a second.

Tim Dean: Okay, we did hear from Kathy Bauer, so thank you Kathy and Jasmin could you please take a vote on this, please roll call?

Donald Cappillino: Excuse me just for clarification, Mr. Chairman.

Tim Dean: Yes

Donald Cappillino: To make it clear that the motion is to consider the resolution that's before you, correct?

Tim Dean: Yes, I'm sorry. So Jasmin would you take a vote?

Jasmin H: Al Torreggiani

Al Torreggiani: Approved

Jasmin H: Don Sagliano

Tim Dean: Don Sagliano has a conflict.

Jasmin H: Oh, sorry.

Tim Dean: That's okay.

Jasmin H: Jamie Piccone

Jamie Piccone: Approved

Jasmin H: Amy Bombardieri

Amy Bombardieri: Approved

Jasmin H: Kathy Bauer

Kathy Bauer: Approved

Jasmin H: Mark Doyle

Mark Doyle: Approved

Jasmin H: Tim Dean

Tim Dean: Approved

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Tim Dean: Okay, so the motion passes. Kelly, good luck with the project. We're very excited to see the progress along the way and what this will do for our County.

Kelly Libolt: Thank you very much, I appreciate your help.

Tim Dean: You're welcome. Okay, at this point what I'm going to do, I again, as stated, I have a conflict of interest on the next two projects, so I think Sarah will place me in the waiting room and I'll come back when we are going to discuss some other matters when those are complete and Mark Doyle will now assume the Chair role for the rest of this part of the meeting.

Sarah Lee: So Tim Dean and Amy Bombardieri should be moved to the waiting room.

Mark Doyle: Thank you Tim and Amy. Sarah let me know when I should go ahead.

Sarah Lee: Okay

Don Cappillino: Is Don Sagliano back?

Sarah Lee: Don Sagliano is back.

Don Sagliano: I'm back, thank you.

Sarah Lee: We have a lot of people so I just want to make sure and Amy Bombardieri and Tim Dean has left so Mark you are free to go ahead.

Mark Doyle: All right. Very good, good morning everyone. So I think that if we would like to go ahead first Sarah with laying out the progress and the project and we'll take questions and answers and see where we go from there.

Sarah Lee: Okay and I just also want to announce that Lauran O'Neill is here representing the applicant, should there be any additional questions for the board. So excuse, in front of the board this morning is North Cross requesting final approval for their project. North Cross proposes to construct a 50 unit townhouse rental community that aims to serve the market-rate housing to attract young families into Hyde Park. As part of the project, there is open space that will be integrated into the project, as well as walking and hiking trails. The applicant has stated that if IDA benefits are approved, that the developer will be able to set aside 10% of their units for targeted workforce tenants at a discounted rental rate. The project is projected to create three FTE positions and thirty construction jobs. They are seeking final approval for sales tax exemptions and mortgage tax exemptions. There is no pilot that is part of this project, therefore the property will be paying full property tax once construction is complete. The public hearing was held on Monday, May 10th and the transcript as well as written comments were forwarded to the board.

Mark Doyle: Thank you, Sarah and I just want to review where we are exactly in that. At our last meeting we passed a preliminary resolution that gave this project the opportunity to go in front of the public and for the public to attend a public hearing, so with that course of events we are now at a point ready to discuss the final resolution. The board has had an opportunity to ask further questions and receive answers and certainly I have had some questions and received answers. I think we've all received answers on issues that are important to us such as, in particular, the consolidation of the lots of energy use, a little bit more specificity, in terms of the sort of transit orientation and the energy use of the facility in terms of public transport, so if the applicant would like to add any comments because I know some time has gone by, that would be excellent.

Lauran O'Neill: Yeah so I can just give a quick update. So per the concerns that the board had on the commercial versus residential nature and the separate lot. So we did file an initial application in order to consolidate 38 of those lots. The way that subdivision was done and the way the statute is written, the other 12 lots cannot be consolidated for

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another three to four years, but we are committed to pursuing that, especially now that we have consolidated 38 of the lots. It doesn't make sense to have 12 separate lots. So we did coordinate with the Dutchess County Public Transit Authority to confirm that busing transit would be available directly at the end of the new residences and we would additionally, we're trying to work on this right now, but we'll probably build a bus shelter just for the school-aged children as well as the public transit to make it more easily accessible. As for the environmental elements of the project, we really hold ourselves to a high standard when it comes to environmental and sustainability. That is one of our future mission statements now as a company as we go forward in development. So we are utilizing all LED lighting, which will drastically reduce energy consumption. The installation we are using will cut down heating and cooling loss by more than half of what it would be in a traditional freestanding single home. We are using mostly electric. We are going to use smart thermostats throughout the property in order to more easily control, again that loss of energy. We also want to encourage our tenants to utilize the best in transportation so we'll be putting bike racks in each unit to make that easily available, an easy option, incentivize bike riding as well as we're currently talking or in talks about it right now. We have to really get clarification on the program, but we would be including electric charging stations at units, whether that's to a specific amount of units or at tenants' request that's the part we're trying to work out, but we definitely are committed to really trying to motivate our community to utilize these alternative technologies. So I know one question that came from the board was regarding, how do we implement the workforce housing? So we did officially commit to 10% of the units of being eligible for that discount. We have talked with the Town of Hyde Park. They are willing to help us directly in any assessments we need for the tenants and their eligibility for the units but we've officially and formally agreed to do at least 10% of those units towards that discount. Additionally, we do have permanent open space conservation easements set up for the recreational portion so those are forever formally will not be touched. I'm not sure if anyone had any other questions or concerns. I know this is a newer type of project for the board and we really want to walk with you through this especially because we have a lot of plans in the future for mixed use and residential in Dutchess County. We like working in Dutchess County. We really feel like we add assets to the community and we want to be able to work with you all and make sure everyone feels comfortable going forward, so any questions are welcome and we really do aim to be available throughout the process of directing any questions or concerns.

Mark Doyle: Thank you for that. Does anybody, anyone on the board have any questions?

Don Sagliano: Yes, active Chairman Doyle, I have a question.

Mark Doyle: Please go ahead Don.

Don Sagliano: Miss O'Neill could you identify why all the properties cannot be placed into re-division of the properties that this time?

Lauran O'Neill: Yeah so under the specific statute itself, it's the real estate property tax laws section 560. It just says a subdivision has to be in existence for at least five years before you can abandon the lot. The last 12 lots were not finalized until only about a year and a half, two years ago, so have a waiting period of five years so there's really just no way around it, legally speaking, before we can file the application.

Don Sagliano: Council Cappillino, do you concur with that?

Donald Cappillino: Absolutely, yes.

Don Sagliano: Okay, thank you.

Mark Doyle: Thank you. Does anyone else on the board have a question? Hearing none, I wanted to just gain extend on the comments on the process insofar as it's our job as the board to ensure the best possible outcome for the County as a whole. We're representing County but to say that this project, as with the others that we considered, Sarah has made and in every case takes time to ensure that the project is supported by the municipality in which it falls, and this is the case here. I know that this particular site has gone through sort of a series or a long history of applications and

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there is a support and willingness to go forward from the municipality but sort of going behind that of course is that I think it's not necessarily always obvious to perhaps those in the public that before the board gets to consider a project during the process of a board meeting, the applicant has gone through a considerable screening process and a fair amount of time with Sarah and her staff to get to that point. So with that process in place and our ability to ask questions and with legal counsel assistance, I have confidence that we're able to make good decisions so thank you very much then to the O'Neill's and I wonder if anyone on the board would like to make a motion for the passage of this resolution if we already.

Jamie Piccone: I'll make the motion for the final authorization.

Mark Doyle: Thank you Jamie. Is there a second?

Don Sagliano: I'll second it, Acting Chairman Doyle.

Mark Doyle: Thank you very much Don. Jasmin would you take a roll call, please?

Jasmin H: Al Torreggiani
Al Torreggiani: Approved

Jasmin H: Don Sagliano
Don Sagliano: Approved

Jasmin H: Jamie Piccone
Jamie Piccone: Approved

Jasmin H: Kathy Bauer
Kathy Bauer: Approved

Jasmin H: Mark Doyle
Mark Doyle: Approved

Lauran O'Neill: Thank you all so much. We appreciate it and look forward to working with you on this and future projects within Dutchess.

Mark Doyle: Thank you very much and appreciate it and good luck as you get started.

Lauran O'Neill: Thank you.

Mark Doyle: Thank you very much. All right so we'll move on to the next project. Having a little technical difficulties with where my place is but Sarah if ...

Sarah Lee: Mark, I'm sorry, before you begin we're going to bring Amy back into the room.

Mark Doyle: Thank you.

Sarah Lee: Okay, Amy has returned, so you can go ahead Mark.

Mark Doyle: Very good. Right so maybe perhaps if you could Sarah layout the details on the Tinkelman project and we will proceed with that.

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Sarah Lee: Sure, so Tinkelman Built Parcel Three and Four is an active project. It was originally approved back in 2016. The project was to redevelop what is in the Town of Poughkeepsie, what is known as Springside. They were a mixed-use development with commercial and residential units. The project was to be built in three phases. Steve Tinkelman is here in front of the board requesting for sales and mortgage tax benefits for Phase Three, which was considered in the original application, but no costs were indicated at that time because they were unsure at the time of application exactly when Phase Three would occur so they are in front of us at this time. Because they are an active project, no board action is required at this time. A public hearing will be held and they will return to the board for their final resolution at a future meeting. Built Parcel, as also part of Phase Three, there is a minor change to the project as a whole. Phase Three was to entail the construction of 32 units. That number of units has been lowered to 25 units but the commercial space is going to be utilized as part of Phase Three. Phase Three also includes the creation of some public space, a pocket park and additional parking for users of the commercial and residential space there. There is an active pilot currently on parcel three in which Phase Three is part of. When the project is complete or when Phase Three is complete, it will enter the pilot agreement at its current percentage. Meaning that it will not start from year one, it will start at the year that it is. At the top of my head, I don't recall which exact year it is, but the pilot on that project has started back in 2018.

Mark Doyle: Thank you very much Sarah. So to be clear, there's not a resolution or board action to be taken this morning, but to understand that we are going forward to a public hearing for these to discuss and hear about the public opinion for the changes to the project?

Sarah Lee: Correct

Mark Doyle: Very good and this is a project essentially in the heart of the urban area of Poughkeepsie and great redevelopment and of a walkable multiple use community so it's very much in line with our mission.

Sarah Lee: Yes and to say that Built Parcels Three and Four has changed the intent of it back when they came was to increase the walkability and cohesiveness of that area with the Arlington Business District which it has. There are quite a few residents there and the commercial space is fully occupied and then one thing that I failed to mention that I'd like to mention is there will be 15 additional jobs projected than what was originally projected in the original application. So we also have with us this morning Steve Tinkelman who is here to make a brief presentation, as well as answer any questions the board may have.

Mark Doyle: Oh excellent. Welcome to you and look forward to the presentation.

Steven Tinkelman: Thank you very much and good morning everybody. We're very excited about finally moving forward with Phase Three. We were hoping to be at this point, a couple of years earlier, but a couple things happened. One was, the acquisition of the DOT parcels took longer than we thought. Originally it was scheduled for 2014 and almost got us to the end of 2017, very complicated, there were seven small parcels that we acquired from the state that makes up the project site. Sarah can we can you share our screen so we can put some images up?

Sarah Lee: Yes

Steven Tinkelman: Thank you. While that's happening, the success of the first two phases included the adaptive reuse of five buildings and the construction of two new buildings, as well, one of the new buildings is mixed-use and the all the tenant spaces are currently occupied. We've also seen some additional buildings outside the pilot area being affected by the work that we've done so you're beginning to see, I think the purpose of the pilot is not only to create jobs here but impact the environment around us as well, so we've seen some success with that. Are we sharing screen at this point Sarah?

Sarah Lee: No, we don't see your screen. At the bottom of your zoom screen you should see the share screen button.

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Steven Tinkelman: Yes. So our current plan is similar to what we brought forth and the description when we received our pilot back in 2015. The project is a little smaller for a couple reasons. In the center the image is the five-story building and we're proposing with the parking field to the left of it. The original plan had a few more apartments, plus on the left hand side of the site, we are going to have another building that was about 2,000 square feet and two units on the second floor but it turns out that parking is still main driver, more so than what we thought in Arlington Town Center and with the onset of self-driving cars which hasn't happened yet, so we had to reduce the scale of the project, essentially for parking. Part of the project that you can also see is we're creating some new on-street parking, there's new sidewalks that create the walkability of the whole neighborhood and there is this pocket park that Sarah mentioned that we're creating adjacent to the building, which we hope will be the center of this Van Wagner Place neighborhood. I guess we can go back to the next slide. One of the things that are hoping to in this pocket park is also to have kind of a pop-up building. This map here is to show you where the phase one, phase two and phase three and how that was scheduled in our original pilot and then one other piece in the original pilot agreement, these images were shown when we originally got a re-zone for the property into Arlington Town Center. These are the images that we presented to the town in that process. In the lower image you can see the building that we had proposed at that time. So this next image is a three-dimensional view of the site in the project. Again, I think you can see it on the top, you can see this little pavilion that we have proposed which would either be for community activities, some landlord functions and for the tenants to use. The building, as Sarah mentioned, is 25 units on floors two through five. It's a wood frame building on top of steel and concrete, first floor podium to meet the requirements of the New York State building code. In the first floor where there's about 7,100 square feet of commercial space, 4,200 of that is going to be operated and used by the British Swim School, which is a local business that teaches swimming skills to kids from age zero or from the beginning of life to age six. There is also going to be some health and wellness programs with the pool and the other wonderful thing is that those people living in the building in the neighborhood will be able to use the pool at scheduled times during the week, which is really nice thing to do. The pool also shows great from the highway as you're driving by and this is a look at the building. It's using similar materials that we've used in the neighborhood. It's a little modern which is what we wanted to do. One of the other nice things about the building, as currently proposed, is that there's a fifth floor public spaces for those people that live in the building. From an outdoor roof deck area, there's office space up there for the tenants to use. There's a communal room and also a gym. One of the things that changed during the pandemic year was we had designed the building and something didn't seem as contemporary given what we learn about life with the pandemic and with people working at home so because of the fact that these are larger apartments there are also flats and a lot of apartments that we've done so far are two level and you can see that the flats work for a lot of folks that don't want to deal with stairs of course it's an elevated building or an elevator building, I'm sorry but we went back and looked at the floor plans and given the fact that we had this space, we're creating what we call swing spaces and they are spaces at home, where, if you wanted to work, you're not in your living room, you're not in your dining room, in your bedroom but there's a swing space that you could do crafts at home, if you want to set up your drum set or something like that, you have the ability to have this kind of new space for the new world so we're also setting up the office space up above so that there needs to be meetings or if you need to work outside of your apartment you can do that as well. You can see the windows on the lower level facing the highway and again that's for the British Swim School. The other spaces are under discussion, but we have no leases that are currently signed. As with all the work that we've done in the neighborhood, our building is created with many sustainable features exceeding the energy code packages, really high quality windows, the environmental systems being electric are also going to be the high efficiency and such and there are programs that we're working with, with NYSERDA and such that if we're successful and accepted we'll be part of this program. We're also going to do things like try to do some throwback and use wood floors rather than vinyl plank stuff. That seems to be what is being built. I really like the feel of wood and again there's the support operation systems, the smart systems for entering the building, for operating the environmental systems are all going to be part of the project as well. Low VOC stuff, which is obvious the essence and just fundamental. May be show another slide with the entrance and as Sarah mentioned, this is the entry side. Looking from the parking lot you can see where it says 44. We're currently calling the code name for the project right now is pork chop because of the shape of the lot but we don't have a name for it yet, but the address I think is 44 Springside. So that's the entrance for the apartments and then as you can see on the left, there's this kind of a colonnade where you'll be able to walk from the parking lot and be under the weather, and you can begin to see on the left side that's where the park is. It's a combination of some really exotically planned landscaping and some hardscape and that can be used by those in the

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neighborhood as well as by the tenants in the building, and again depending upon who the tenants end up being. So we feel that this neighborhood square pocket park could be really a vibrant place to be the glue of eight or nine buildings that are 10 buildings that are part of this neighborhood currently. Again, as Sarah mentioned we're going to slide into the pilot. We are hoping to get started in July and construction is about 14 months. As you all know, the construction marketplace right now, it's a little turbulent and cost issues are profound and hopefully they'll sit down a little bit, but who knows, it's really a crapshoot in that regard. So we are being careful. We are doing all of our pricing right now but there have been some supply chain issues and that's why the project, which normally can be built in 12 months, we're saying 14 maybe we should say 15 months as well, because you just don't know. But again, no changes to the existing pilot and we're just excited about creating more energy in the neighborhood. Part of the success of it is really critical mass and this really helps in achieving that. So I hope you like what you see and certainly glad to answer any questions and thank you very much.

Mark Doyle: Thank you for that presentation. That's very interesting indeed. I was wondering if you might comment on, you made a comment on building costs which we've been hearing about quite a bit but perhaps your point of view on the level of demand and in the market for residential space and just the nature of that demand and how that's affecting your plans.

Steven Tinkelman: Well, right now, from our RC, we see the demand is strong and it's strong from a very diverse forces. It's not one demographic or another so the diversity is kind of great and in some ways the housing market is different, particularly people are working at home so that the apartments then really need to function for that successfully. We're trying to do more home replacement. We tried to do that with our last project as well here with the idea that people stay longer and really become embedded in the community and such and so that's the focus of our design. From a cost point of view, we'll have a better idea. We've had lots of conversations with people in the industry to target costs in our budgeting and we're now pricing the whole project and we should add some of those results next week.

Mark Doyle: Okay. Does anyone have questions or comments? So I think then Sarah, am I correct in saying that we don't need to do anything further but simply to wish them good luck for the public hearing and we'll see you back when that's complete.

Sarah Lee: Correct

Mark Doyle: Thank you very much for coming this morning and giving us the run through of your project. It's exciting.

Steven Tinkelman: Thank you.

Sarah Lee: Okay, this is Sarah, if we can have Tim return to the meeting.

Tim Dean: Hello everybody. Okay, are we ready to move to reasonability analysis and fee schedule, Sarah?

Sarah Lee: Yes

Tim Dean: Okay, do you want to talk about the reasonability analysis?

Sarah Lee: Sure, so like many IDAs in your state and frankly the United States, we're seeing a rise in housing projects requesting various tax incentives, including pilots. However market forces and finances for commercial housing projects are different than conventional industrial projects that we typically have induced. These projects often create fewer permanent jobs, however, housing projects can be equally important in supporting economic development and community development for an area. So the use of the reasonability testing can be a supplement to the information the board already reviews and objectively evaluates the "but for" or the "if not for" clause for financial assistance showing the effects of assistance of the project's financial outcome with community benefits. The intent of these analyses is to

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provide the board with more information to balance the goal of impactful projects to be built with fiscal responsibility to the community and the school district. So, in that vein, I have reached out to several firms that do this reasonably testing. In front of you is a proposal by Camoin. There are about a dozen IDAs in New York State that use Camoin for the reasonability testing, in particular for housing projects that request a pilot and then provided for you in the packet was a copy of the proposal, as well as the information that they collect from the applicant to do their testing.

Tim Dean: So as Sarah has said, we have discussed in the past getting some additional help with our analysis, specifically on housing projects and so this organization does appear to provide that type of supplemental support and as part of our fee schedule that Sarah is going to discuss, there are projects where we would like to have the ability to have an analysis done. Does anybody have any questions after looking at the proposal that Camoin has presented to us? Sarah do you have the exact page that it is in our index copy?

Sarah Lee: Yes. So the proposal starts on page 393 in the packet.

Tim Dean: Thank you. So I don't know if members have had a chance to...

Sarah Lee: Don Sagliano has his arm raised, Tim.

Tim Dean: Oh Don, go ahead.

Don Sagliano: Thank you Sarah and Chairman Dean. So Sarah you mentioned that you, did you solicit any other opportunities for this service or is this the only one that was responsive? Can you speak to the process as to how you located this organization?

Sarah Lee: Yes, so I located this organization, as well as two other organizations: Pattern and NDC, which is based in Westchester. I got a proposal from Camoin and from NDC. NDC, their analysis is very similar but their cost of the report was quite high. So when the board requests these studies, the cost of the study will be passed on to the applicant to do.

Don Sagliano: That's the next question.

Sarah Lee: And we felt that the Camoin proposal was the most reasonable study and still achieve the outcome and the information that the board would be looking for.

Don Sagliano: Great. Thank you very much, Sarah.

Tim Dean: And Sarah did you speak with any other municipality or any other IDA that has used Camoin and get feedback from them as to the helpfulness of this study?

Sarah Lee: So I did speak to one other IDA about it and Camoin's report came highly recommended. I did not speak to them but the Ulster County IDA has used Camoin to do this reasonability study for housing projects entailing a pilot in Kingston.

Tim Dean: And to be clear, we would not use this for someone that was just requesting a sales and mortgage tax exemption, it would be only if they were looking for a pilot, correct?

Sarah Lee: Yes, because that's really where most of these benefits are affecting municipalities is in the pilot and you're really examining the return on investment during the life of that project.

Kathy Bauer: Sarah, this is Kathy, so we would get this information when the applicant is first coming before the board?

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Sarah Lee: Yes, so it will be part of the packet that you get typically with the cost benefit analysis, you'll get the recommendation, the opinion of Camoin on the pilot of the project, as well as the project evaluation, so yes.

Kathy Bauer: Thank you.

Tim Dean: And Sarah can you talk about which projects, is there a threshold that we're discussing on using this for a particular project or would it be for all?

Sarah Lee: I would recommend that we use this reasonability study for housing and potentially mixed-use projects that entail a pilot.

Tim Dean: Okay

Sarah Lee: Especially deviated pilots.

Tim Dean: Okay and when you say mixed-use, would it have to include housing as part of the mixed-use?

Sarah Lee: Yes, as part of the mixed-use housing as an element.

Tim Dean: Okay, so just to be clear to everybody, we already do cost benefit analysis on all projects and as Sarah mentioned, we just feel that having an additional resource to help us analyze some of the factors and variables used by applicants in their proposals to us, specifically for housing projects, is where we're looking for this additional guidance. Sarah what action are you looking for us to take today on this, was there a separate action or was this part of our fee schedule?

Sarah Lee: No, this was just a discussion for the board to make them aware that this is something that I will be requesting of these housing projects or projects that entail housing that ask for a pilot and so I just wanted to present that to the board for their information.

Tim Dean: Are we required to make it part of our process and mandated for those projects?

Sarah Lee: At this point, I would just make it a recommendation on my part to pursue. As part of the fee schedule, we do allow the board to decide freely and I think once we've done maybe one or two of these studies that we can then formalize it into a policy.

Tim Dean: Okay. Of course our desire would be that we'd be consistent at all times in how we require this. So okay so just again just sort of summarize. We are in sort of a an initial phase of we're going to try Camoin out with our next housing or combined housing projects and then you'll report back to us on how they go?

Sarah Lee: Yes and I would clarify these, I'm sorry, for new housing projects.

Tim Dean: Yes, yes, anything that we have not already had a preliminary hearing on or not received an application?

Sarah Lee: For anything that we have not received an application already.

Tim Dean: Okay, so and we will get to see the results of these studies as they occur because it will be part of our information. Okay, does anybody have any questions about Camoin or this process that we're going to now add? The one thing that I will say is that it will require that we'd be given enough time by applicants to get this get through this process. Sarah do you have any idea of the time required for a response from Camoin to an applicant?

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Sarah Lee: So they require two weeks to complete the report, so we will be asking the applicant to provide enough time so that Camoin can do the report and be included in the board packet.

Tim Dean: Okay, so just applicants. There have been times when we've expedited. I don't know if we've ever expedited a housing pilot in two weeks, but at any rate, it will require that they get information in their application to us reasonably in advance of their request for a benefit. Okay, so then that takes us to the next discussion, which is fee schedule and Sarah has prepared a recommended fee schedule for us. We have not looked at our fees in quite a while and so Sarah has taken a look in our surrounding IDAs and sort of benchmark what the fee it reasonableness is and Sarah would you like to talk with us about that?

Sarah Lee: Sure, so like Tim mentioned, the IDA has not changed its fee schedule since 2000, resulting in actually one of the lowest fees that an IDA charges in New York State. So to make the IDA more competitive with our surrounding IDAs, I have proposed an increase in our fee schedule, as well as increase in our fees to cover the rising administrative costs for compliance. So what I want to point to first is the chart that was included in the proposal. It was about the fourth page, the last page of the proposal and what you'll see is the first column being what I'm proposing, the second...

Tim Dean: Sarah, I'm sorry, I just want to interrupt. In our board packet, it's the last page of the entire packet.

Sarah Lee: Yes. Okay, so the columns are the proposed is what I will be proposing, the second column is what our current fee schedule is and then the remaining columns to the right are the counties that are nearby and what their fee schedule is and so as you can see, at the very bottom of that chart I have an example of what we would be collecting in fees for projects that are \$30 million in range, which is our typical project costs and then \$100 million dollar range and as you can see across, under our current schedule, we are charging considerably less than what our neighboring county IDAs are. So the fee schedule that I am proposing is raising the base amount from \$2.5 million to \$25 million but the formula remains the same. So it will be 1% for the first \$25 million of a project and then a quarter percent will be charged for the balance of the cost of that project which will increase our fees about \$2.5, a little more than double.

Tim Dean: So, Sarah again, I would just ask if you wouldn't mind and that's the first box under project fee backslash administration fee. Could you just run across that and just talk about the other counties and what they charge within that specific area just so people have a sense of it?

Sarah Lee: I will start at the very top, is the application fee. We currently charge \$250 for a filing of an application. I am proposing an increase in our application fee to \$1,000. That is based on what I'm seeing other counties in New York State, that is the most popular, I guess more common fee to charge for filing of a application, is \$1,000. The Orange County charges \$5,000 to file an application and then Sullivan County charges \$ 250 so I thought \$1,000 was a fair amount for the filing of an application. The project administrative fee, again we'll raise the base amount to \$25 million and then anything above that. For industrial manufacturing projects, I do propose keeping the fee schedule the same and that is because those projects tend to have a larger ripple effect and provide more benefits to the community and frankly a lot of manufacturing industrial jobs tend to be less than \$3 million in our history. So to encourage expansion projects in the County and to allow new manufacturing jobs to enter I propose to keep the fee for those projects and that is common for some IDAs to do, including Orange County does the same thing.

Tim Dean: So we would, for the first \$25 million, we would charge 1% and then it would go .25 after that. Can you compare that to, for example, he other counties going across?

Sarah Lee: Yes, so Orange County does something similar. They charge, well they don't, they do something similar for manufacturers, I'm sorry. So Orange County charges 1% for the total project cost.

Tim Dean: Without any break at \$25, \$20, \$25 million?

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Sarah Lee: Yeah

Tim Dean: They keep 1% all the way?

Sarah Lee: They keep 1% all the way on the entire project. Rockland County does the same thing. They charge 1% for total project cost, but for those projects that have a benefit less than \$250,000. Oh, I'm sorry. They charge 1% of the total project costs for projects that have a benefit less than \$250,000. For any other project that have benefits above \$250,000, they charge a range of 2 to 3% which is negotiated. Sullivan County does something very interesting. They actually negotiate their admin fee and they then divide that up through the life of the agreement so they don't have a set fee. That fee is negotiated with each project. Ulster County charges 1% of the total project cost and then Westchester has somewhat of a complex formula where they charge 5% for the benefit amount and 0.01% of the estimated pilot amount. Any questions? And then again at the bottom where it says what projects would pay under the administrative fees, you'll see those fees, what that would look like, Don Sagliano.

Don Sagliano: Thank you. The question I have is that counties in New York State have different types of operating entities for their IDA, some are attached to an economic development such as I know Saratoga County has that where the IDA is actually a very, very small entity and they have the Saratoga Economic Development Corporation, as well as the prosperity partnership. How do these counties in your peer group relate to the similar operations of how Dutchess County is structured?

Sarah Lee: So Orange County has the most similar structure to how our IDA operates. We also have the similar number of projects and the type of projects. Westchester County actually operates under the county as well as Rockland County IDA use to operate very similar to our IDA but last year was absorbed by the county. So Sullivan County does have an independent IDA much like the Dutchess County IDA and then Ulster County is also part of the county.

Don Sagliano: Thank you.

Mark Doyle: Mark Doyle here. Sarah, I think that you've done a good job of balancing sort of the competitive competing interests in some ways between large entities, large applications and then the smaller family run maybe manufacturing operations that come in that we really want to incentivize so that we are taking care of essentially Dutchess County residents, rather than putting all the emphasis on those coming into the county. Of course, both parts are vitally important, but we don't want to forget our own people so I like the scaling, and if in fact, there any other ideas for enhancing the system for those smaller applications, I'd be interested to hear about it but this looks pretty good to me.

Sarah Lee: And in that vein, that also the reasoning behind a different fee for the sales and mortgage, is to allow the smaller manufacturer to ask for these benefits at an affordable rate.

Tim Dean: Don Sagliano

Don Sagliano: Thank you. Sarah so when we look at the line that says annual compliance fee, we are currently \$500 per year, so if we were to adopt or modify our rate schedule, would existing projects now fall under a new rate?

Sarah Lee: So, yes.

Don Sagliano: Okay and how many existing projects do we currently have that are subject to this annual compliance fee?

Sarah Lee: Oh Marilyn

Marilyn Yerks: Eight

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Tim Dean: And you'll note that under other fees, local labor is something that's indicated. As we add more projects that require us to audit some of these things, it could become untenable for us to do that in-house and that's why we have put in there that we may have to outsource that and if we do, we will have to ask the beneficiary or applicant to cover those costs.

Sarah Lee: So yeah so under processing fees, those will actually remain the same. We do ask applicants to pay the direct cost of our counsell fees as well as transcription services. Those will remain the same and under other fees like Tim said, if a project, for example, is going to be required to do the reasonableness testing that the cost of that would be transferred onto the applicant. One thing that I did want to mention is that I am presenting or proposing a separate fee for sales and mortgage but for those projects that entail a pilot and the request or the amendment to ask for additional sales and mortgage, if that also entails their project costs increasing by \$10 million or more will be subject to the project administrative fee.

Tim Dean: Does everybody understand what Sarah meant by that?

Don Sagliano: Could you just run that one more time, Sarah please?

Sarah Lee: So projects that have a pilot and then they come back to the IDA and they're requesting additional sales and mortgage and their project cost is going to increase by more than \$10 million, they would not be subject to the sales and mortgage, instead their fee would be based on the project administrative fee. That's going to prevent projects from separating their application and ...

Tim Dean: To take advantage of lower costs in the sales and mortgage tax area.

Sarah Lee: Correct.

Tim Dean: Okay. Can you give an example of a project that we've had before us that this might have applied to or something in our recent past.

Sarah Lee: Yeah so Eastdale is a good example. Eastdale came for additional sales and mortgage but they also increased their cost of the project by \$95 million. Had they just been subject to the sales and mortgage, the admin fee on that would be significantly less than what they would pay on the project fee and also to is that \$95 million also indicated, one of the reasons why the project costs went up is the scope of that project changed and so \$10 million based on what the other, historically what the IDA has seen, \$ 10 million seems to be where project scopes tends to change after that \$10 million point.

Tim Dean: Got it. As opposed to just an inflationary change or a minor change?

Sarah Lee: Correct. In terms of Bellefield, their change was a little less around \$8 million but they're not changing the scope of their project, they had just for it.

Tim Dean: Right. Okay does anybody else have any questions? I concur with some of the comments that were made that I think this is a good balance and allows us to cover our expenses and costs as an organization to review and vet all these projects. So Sarah you're looking for us to approve this fee schedule, is that correct?

Sarah Lee: Correct

Tim Dean: Okay, I would like to ask if there's a board member who would make a motion to approve the fee schedule as presented.

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Kathy Bauer: This is Kathy, I'll make that proposal.

Tim Dean: Thank you Kathy. Can I get a second, please?

Mark Doyle: Mark Doyle, I'll second that.

Tim Dean: Okay, Jasmin could you please take a roll call vote?

Jasmin H: Al Torreggiani

Al Torreggiani: Approved

Jasmin H: Don Sagliano

Don Sagliano: Approved

Jasmin H: Jamie Piccone

Jamie Piccone: Approved

Jasmin H: Amy Bombardieri

Amy Bombardieri: Approved

Jasmin H: Kathy Bauer

Kathy Bauer: Approved

Jasmin H: Mark Doyle

Mark Doyle: Approved

Jasmin H: Tim Dean

Tim Dean: Approved

Tim Dean: Okay, Sarah is there anything else that we need to discuss in the IDA?

Sarah Lee: No, that completes our business.

Tim Dean: OK, so the meeting of the Dutchess County IDA is now adjourned.