

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, May 12, 2021

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
Don Cappillino & Elizabeth Cappillino (Counsel)
Rachel Welch, Communications Coordinator
Kelly Libolt (AP Packaging)
Lauran O'Neill (North Cross, LLC)
Steve Tinkelman (Built Parcel 3 & 4)
Jim Beretta & Doreen Tignanelli, Members from the public

On Wednesday, May 12, 2021, 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 conflicts with items on the agenda. Chairman Dean noted he has a conflict of interest with items 9B & 9C on the agenda. His firm provided insurance advisory services for a related entity of North Cross LLC on another project which they are involved with and he has a conflict with Built Parcel Three & Four because his firm is the insurance agent for the project. Mr. Sagliano noted he has a conflict with item 9A because the company he works for is a tenant in that location. Ms. Bombardieri noted she has a conflict with North Cross LLC because her firm is representing them on a couple different aspects of the project.

PROOF OF MEETING NOTICE

Meeting notice was published on May 7, 2021.

BILLS AND COMMUNICATIONS

None

APPROVAL OF MINUTES

April 14, 2021

April 23, 2021

Ms. Lee noted that the following corrections be made to the April 14th minutes:

- On the list of meeting attendees, it lists Dan O'Neill was present. It should be changed to Fin O'Neill
- 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 LLC
- Under new business, item C for North Cross LLC, it states that Chairman Dean had a conflict of interest because a member of his firm had discussions with principles at Fox Run. It should be North Cross LLC, not Fox Run.

Mr. Doyle noted that he would also like to make a correction to the April 14th minutes regarding the vote to reconsider the motion made for North Cross, LLC, item C. The minutes indicates that two votes were taken and three motions were passed. To complete the sequence about reconsidering the motion, he would like to add to the minutes that a roll call vote was taken and the motion to reconsider was passed.

Chairman Dean asked for a motion to approve the April 14, 2021 minutes with the corrections noted above and the April 23, 2021 minutes of the Dutchess County Industrial Development Agency.

A motion was made by Mr. Doyle, duly seconded by Mr. Piccone to approve the DCIDA Board of Directors Meeting minutes for April 14, 2021 and April 23, 2021. Roll call vote was taken. Mr. Sagliano abstained from voting because he was not present at the April 14th meeting. The motion passed with enough votes.

REPORT OF THE TREASURER

A. Financial Report

Ms. Yerks reported on the April 30, 2021 Balance Sheet and Profit & Loss Budget

- Current cash balance is \$2,500,905.78

REPORTS OF COMMITTEES

None

UNFINISHED BUSINESS

None

NEW BUSINESS

A. For Consideration and Approval of a Final Resolution for Poughkeepsie Industrial Park LLC and Air Protection Packaging Corp. (Town of Poughkeepsie) to authorize a Mortgage Recording Tax Exemption, Sales Tax Exemption and a Payment in Lieu of Taxes for an approximately \$12,000,000 project for construction and renovations to an existing building to accommodate the Company's manufacturing operation which will occupy approximately 165,000 square feet of the facility.

Mr. Sagliano was placed in the Zoom waiting room during this portion of the meeting due a conflict of interest because the organization he works for is a tenant at this location.

Ms. Lee noted the following about the project:

- The applicant is proposing to invest over \$12 million at 900 Dutchess Turnpike in the Town of Poughkeepsie and to purchase approximately 58 acres of land with three existing structures which sit on the site
- 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 for this project was held on April 12th
- The project has received written consent of the deviated pilot from the school district and the town and copies of the approval resolutions have been forwarded to the board
- AP Packaging is a manufacturer of what is commonly known as bubble wrap
- They are located outside of New York State and is looking to move to Dutchess County as a place to establish themselves for the long-term by purchasing a building and slowly increasing their occupancy in that building as they grow

Questions, responses and comments ensued.

A motion was made by Ms. Bombardieri, duly seconded by Ms. Bauer to approve the Final Resolution for Poughkeepsie Industrial Park LLC and Air Protection Packaging Corp. (Town of Poughkeepsie) to authorize a Mortgage Recording Tax Exemption, Sales Tax Exemption and a Payment in Lieu of Taxes for an approximately \$12,000,000 project for construction and renovations to an existing building to accommodate the Company's manufacturing operation which will occupy approximately 165,000 square feet of the facility. Roll call vote was taken. All voted in favor and the motion was carried.

- B. For Consideration and Approval of a Final Resolution for North Cross, LLC (Town of Hyde Park) authorizing a Mortgage Recording Tax Exemption and Sales Tax Exemption for an approximately \$19,430,272 project for construction and re-development on approximately 27.71 acres of land at North Cross Road, Blair Road and Daniels Way, to construct commercial townhouse-style apartment buildings with approximately 50 residential units.

Chairman Dean and Ms. Bombardieri was placed in the Zoom waiting room during this portion of the meeting. Chairman Dean has a conflict of interest because his firm provided some insurance advisory services for an affiliate of North Cross LLC on another project which they are involved with and Ms. Bombardieri has a conflict of interest because her firm is representing North Cross LLC on a couple different aspects of the project. Vice Chairman Doyle presided over this portion of the agenda.

Ms. Lee noted the following about this final resolution:

- North Cross, LLC, also known as Jeffrey Groves Estates, will be located in the Town of Hyde Park
- This project will construct a 50 unit rental townhouse community that aims to serve and attract young families to the area and will consist of 8 cluster townhouse buildings on a currently vacant 25 acre lot
- An open space will be integrated into the project to provide public walking and hiking trails to the residents of the project and the community
- The applicant states that if IDA benefits are granted they would be able to provide a discounted rental price for targeted workforce populations such as local police officers, firefighters, EMT workers and teachers working in Hyde Park
- As part of the project but separate from the application, a related entity will be building a sewer system that will be expandable and be able to support this project and future developments

Ms. O'Neill, who was present and representing the applicant, proceeded to give an update about questions board members expressed at the last meeting.

Questions, responses and comments ensued.

A motion was made by Mr. Piccone, duly seconded by Mr. Sagliano to approve the Final Resolution for North Cross, LLC (Town of Hyde Park) authorizing a Mortgage Recording Tax Exemption and Sales Tax Exemption for an approximately \$19,430,272 project for construction and re-development on approximately 27.71 acres of land at North Cross Road, Blair Road and Daniels Way, to construct commercial townhouse-style apartment buildings with approximately 50 residential units. Roll call vote was taken. All voted in favor and the motion was carried.

- C. Presentation by Built Parcel Three & Four (Town of Poughkeepsie) introducing their request for an amendment to 1) revise the scope of the Project by reducing the number of commercial residential units from 32 to 25 and adding additional parking and an outdoor public space, 2) to increase the sales tax exemption benefit in the amount of \$325,000 and 3) to increase the mortgage recording tax exemption benefit in the amount of \$54,375.

Chairman Dean was placed in the Zoom waiting room during this portion of the meeting. He has a conflict of interest with the project because his firm is the insurance agent for those projects. Vice Chairman Doyle presided over this portion of the agenda.

Ms. Lee noted the following about this project:

- Built Parcel Three and Four is an active project that was originally approved back in 2016
- The project, also known as Springside, is a re-adaptive and new development in the Town of Poughkeepsie
- It is a mixed-use development with commercial and commercial residential units
- They are requesting 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
- Phase Three was originally planned to entail the construction of 32 residential units but the number of units has been lowered to 25 residential units.
- Phase Three also includes the creation of some public space, a park and additional parking for users of the commercial and residential space
- When the project or 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 current year
- There will be 15 additional jobs projected that was not originally projected in the original application

Mr. Tinkelman, who was present and representing the project, proceeded to give a brief presentation and answer questions.

Questions, responses and comments ensued.

- D. Reasonability Analysis

Ms. Lee noted the following:

- The IDAs in the New York State and in the United States is seeing a rise in housing projects requesting various tax incentives, including PILOTs
- The market forces and finances for commercial housing projects are different than conventional industrial projects that the IDA typically induces

- Housing projects often create fewer permanent jobs but can be equally important in supporting economic development and community development for an area
- The use of the reasonability testing can be used to supplement the information the board already reviews and provide the board with more information
- About a dozen IDAs in New York State use Camoin for the reasonability testing, particularly for housing projects that request a PILOT
- The proposal from Camoin is includes information they collect from applicants to do their analysis

Questions, responses and comments ensued.

E. Fee Schedule

Ms. Lee noted the following:

- The IDA has not changed its fee schedule since 2000 resulting in one of the lowest fees that IDA charges in New York State
- To make the IDA more competitive with the surrounding IDAs Ms. Lee is proposing an increase to the fee schedule to cover the rising administrative costs for compliance
- She proposes leaving the formula the same however raising the base amount from \$2.5 million to \$25 million which would be 1% for the first \$25 million of a project and charge a quarter percent for the balance of the cost of that project which will increase the fees to about \$2.5 million.
- The current application fee the IDA charges for a filing an application is \$250. She is proposing the fee be increased to \$1,000 based on the formula from her presentation
- For industrial manufacturing projects, she is proposing that the fee schedule remains the same because these projects tend to have a larger ripple effect and can provide more economic benefits to the community
- Ms. Lee also proposed a separate fee schedule for projects only requesting Sales exemption and Mortgage Tax abatement

Questions, responses and comments ensued.

A motion was made by Ms. Bauer, duly seconded by Mr. Doyle to approve the fee schedule as presented by Ms. Lee. Roll call vote was taken. All voted in favor and the motion was carried.

ADJOURNMENT

There being no further business to discuss on the agenda, the meeting was adjourned by Chairman Dean at 9:48 a.m.

Respectfully submitted,



Kathleen M. Bauer, Secretary/Treasurer

6/9/21

Date

Meeting	<u>05-12-2021</u>
Approved	<u>06-09-2021</u>
Certified	<u>06-09-2021</u>

Dutchess County Industrial Development Agency

05/04/21

Balance Sheet

Accrual Basis

As of April 30, 2021

	Apr 30, 21
ASSETS	
Current Assets	
Checking/Savings	
1010 · Cash	
1152 · Money Market TD Bank	714,926.04
1155 · CD1- Riverside	119.96
1156 · CD2 - Riverside	1,785,859.78
Total 1010 · Cash	<u>2,500,905.78</u>
Total Checking/Savings	2,500,905.78
Accounts Receivable	
11000 · Accounts Receivable	501.00
Total Accounts Receivable	<u>501.00</u>
Total Current Assets	2,501,406.78
Fixed Assets	
1390 · Furniture & Equipment	
1680 · Furniture & Equipment	3,115.81
1710 · Accumulated Depreciation	-3,115.81
Total 1390 · Furniture & Equipment	<u>0.00</u>
Total Fixed Assets	0.00
Other Assets	
1175 · Other Assets	
1310 · Prepaid Expense	2,763.92
Total 1175 · Other Assets	2,763.92
1600 · Escrow Deposits	
1601 · Cricket Valley Escrow Deposit	1,720,424.45
Total 1600 · Escrow Deposits	<u>1,720,424.45</u>
Total Other Assets	1,723,188.37
TOTAL ASSETS	<u><u>4,224,595.15</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · *Accounts Payable	3,659.50
Total Accounts Payable	<u>3,659.50</u>
Total Current Liabilities	3,659.50
Long Term Liabilities	
2300 · Escrow Deposit Liability	
2301 · Cricket Valley Escrow Deposit	1,720,424.45
Total 2300 · Escrow Deposit Liability	<u>1,720,424.45</u>
Total Long Term Liabilities	1,720,424.45
Total Liabilities	1,724,083.95
Equity	
2490 · Fund Balance	
3200 · Fund Balance IDA	-25,000.00
Total 2490 · Fund Balance	<u>-25,000.00</u>
30000 · Opening Balance Equity	1,447,427.47
32000 · Unrestricted Net Assets	783,024.05

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Dutchess County Industrial Development Agency

Balance Sheet

As of April 30, 2021

05/04/21

Accrual Basis

	<u>Apr 30, 21</u>
Net Income	295,059.68
Total Equity	2,500,511.20
TOTAL LIABILITIES & EQUITY	<u>4,224,595.15</u>

Dutchess County Industrial Development Agency
Profit & Loss Budget vs. Actual
January through April 2021

	Jan - Apr 21	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 - Cash Revenues				
4020 - Administrative Fees	512,506.46	218,750.00	293,756.46	234.3%
4030 - Application Fees	500.00	750.00	-250.00	66.7%
4035 - Compliance Fees	4,006.00	5,010.00	-1,004.00	80.0%
4150 - PILOT Payments	1,224,380.48			
4910 - Interest	1,282.33	8,000.00	-6,717.67	16.0%
Total 4000 - Cash Revenues	1,742,675.27	232,510.00	1,510,165.27	749.5%
Total Income	1,742,675.27	232,510.00	1,510,165.27	749.5%
Expense				
6000 - Expenditures				
6240 - Audit	0.00	14,500.00	-14,500.00	0.0%
6260 - Dues, Publications, Subs	2,049.25	3,000.00	-950.75	68.3%
6280 - Insurance	2,996.52	3,750.00	-753.48	79.9%
6350 - Misc	1,673.20	2,000.00	-326.80	83.7%
6450 - PILOT Payments	1,224,378.49			
6500 - Professional Service Contracts	212,500.00	600,000.00	-387,500.00	35.4%
6510 - Professional Services	2,698.75	20,000.00	-17,301.25	13.5%
6520 - Rent	840.00	1,000.00	-160.00	84.0%
6530 - Supplies	479.38	1,000.00	-520.62	47.9%
6550 - Travel & Meetings	0.00	2,500.00	-2,500.00	0.0%
Total 6000 - Expenditures	1,447,615.59	647,750.00	799,865.59	223.5%
Total Expense	1,447,615.59	647,750.00	799,865.59	223.5%
Net Ordinary Income	295,059.68	-415,240.00	710,299.68	-71.1%
Net Income	295,059.68	-415,240.00	710,299.68	-71.1%