

# DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

## UNIFORM TAX EXEMPTION AND CRITERIA POLICY

The general policy of the Dutchess County Industrial Development Agency (the “DCIDA”) is to provide certain financial assistance (“Financial Assistance”) to projects enumerated in Article 18-A of Chapter 24 of the N.Y. General Municipal Law (the “IDA Act”), including real property tax abatements, sales and use tax exemptions, mortgage recording tax exemptions and, in limited circumstances, non-recourse tax-exempt bond financing.

The DCIDA will grant Financial Assistance only after it considers the factors outlined below, no single one of which is determinative (the “General Policy”).

The standard real property tax abatements offered by the DCIDA are those equal to that provided under Section 485-b of the N.Y. Real Property Tax Law using the following schedule of exemptions (the “Standard PILOT Schedule”):

### Accelerated Strategic Exemption Schedule

<u>Year of Exemption</u>	<u>Percentage of Exemption</u>
1	50
2	50
3	50
4	40
5	30
6	20
7	10
8	10
9	10
10	5
11	0

The DCIDA will consider a deviation from the Standard PILOT Schedule for eligible projects requesting enhanced real property tax abatements only if the Applicant meets the criteria outlined under “Deviation from General Policy” below.

While the DCIDA will consider projects authorized under the IDA Act, it generally does not approve Adaptive Reuse Projects, For-Profit Market Rate Housing Projects, and Hotel and/or Motel Projects for Financial Assistance unless it meets the additional requirements outlined under “Special Projects” below.

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**I. General Criteria (for all Applicants)**

1. The nature of the business of the proposed project (e.g., manufacturing, office, retail).
2. The nature of the property before the project begins (e.g., vacant land, vacant buildings).
3. The economic condition of the area at the time of the application.
4. The impact of the proposed project on existing businesses and economic development projects in the vicinity.
5. The extent to which a project will create or retain permanent, private sector jobs.
  - a. Number of permanent jobs to be created
  - b. Anticipated job growth
6. The impact on services and the extent to which the proposed project will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency, medical or fire services.
7. The effect of the proposed project upon the environment.
8. The amount of private sector investment generated or likely to be generated by the proposed project.
9. The likelihood of accomplishing the proposed project in a timely fashion.
10. The percent of exemptions provided and the period of exemption.
  - a. Real property taxes (real property tax abatements apply to the increased value of the project only)
  - b. Sales tax
  - c. Mortgage tax
11. The impact of the project and the proposed tax exemptions on affected tax jurisdictions.
12. The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts in which the project is located.
13. The extent to which the proposed project will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the project is located.
14. The extent to which the project will utilize to the fullest extent practicable and economically feasible, resource conservation, energy efficiency, green technologies, and alternative and renewable energy measures.

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15. The demonstrated public support for the proposed project.
16. Amount of recapture of real property tax abatements through Payment in Lieu of Taxes (PILOT) agreements.
17. Recapture of lost revenues if goals are not met will be addressed through PILOT agreements. (see Agency's *Performance Based Incentive Policy*)

**II. Deviation from General Policy (for Applicants requesting enhanced real property tax abatements)**

The DCIDA may deviate from its General Policy subsequent to notification of the affected taxing jurisdictions. Real property owned and controlled by an IDA is subject to special assessments and user fees.

The DCIDA shall consider the guidelines outlined in the policy and any other special facts and circumstances deemed appropriate when deciding to deviate from its General Policy.

At the request of an Applicant, the DCIDA may deviate from the Standard PILOT Schedule and instead devise a project-specific PILOT Schedule. Before the Board will consider any deviation, the Applicant shall provide the DCIDA with the following:

- Project projections;
- Written justification of the requested deviation;
- Any proof of support from affected taxing jurisdictions;

In addition to the criteria under the General Policy, where an Applicant is requesting an enhanced real property tax abatement that deviates from the Standard PILOT Schedule, the DCIDA will consider:

- the size of the project;
- number of employees;
- type of operation; and
- the prospects to generate income and revenue through payroll and sales tax to the extent that it will offset any loss in real property taxes.

The enhanced abatement will be provided on the increased assessed value attributable to the improvements resulting from the proposed project. However, current property tax levels already in place will continue to be paid on an existing building.

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**III. Special Projects (for Applicants requesting Financial Assistance for certain additional business activities)**

In addition to the criteria outlined in the General Policy above, the DCIDA will require that Adaptive Reuse Projects, For-Profit Market-Rate Housing Projects and Hotel/Motel Projects meet the additional requirements outlined below.

**Adaptive Reuse Project** – The DCIDA will consider granting Financial Assistance to an Adaptive Reuse project that involves adapting old structures or sites for new purposes, including potentially a mix of business and commercial uses, and/or market rate housing, but excluding hotel and motel uses except otherwise permitted within this policy. An Adaptive Reuse Project is one that will benefit Dutchess County by redeveloping a blighted site or structure, promoting infill development utilizing existing infrastructure, creating new economic activity at difficult sites and buildings thus helping to eliminate neighborhood slum and blight, promoting re-use of existing buildings and sites and helping to maintain a neighborhood’s fabric.

Adaptive Reuse projects are projects that prevent economic deterioration and promote employment opportunities. The DCIDA will consider approving Financial Assistance for an eligible Adaptive Reuse Project after consideration of the following factors:

- The age of the structure and the challenges to its redevelopment;
- Time period the structure has been vacant or underutilized;
- Appropriate evidence indicating financial obstacles to the development of the project with IDA or other public assistance;
- Evidence of local taxing jurisdictions’ support;
- Whether the structure or site present a significant public safety hazard or its re-use would involve significant environmental remediation costs;
- Whether the site or structure is located in a distressed census tract;
- Whether the site or structure is presently delinquent in property tax payments; and
- Such other criteria as may be developed by the DCIDA from time to time.

**For-Profit Market-Rate Housing Projects** - The DCIDA will consider approving Financial Assistance for an eligible For-Profit Market-Rate Housing Project after consideration of the following factors:

- If the project has received written support from the taxing jurisdictions in which it is located;
- If the project is consistent with the applicable municipal master plan;
- If the project advances efforts to create walkable neighborhoods and communities in proximity to important local amenities and services; and
- If an independent market study show a significant unmet need in the local community or specific neighborhood where people are unable to find appropriate housing opportunities.

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**Hotel / Motels Projects** – The DCIDA will consider approving Financial Assistance for an eligible new hotel or motel construction project or a hotel or motel renovation project after consideration of the following factors:

- If the project has received written support from the taxing jurisdictions in which it is located;
- Completes a third-party market analysis report; and
- Meets one or more of the following criteria:
  - It is a new hotel or an existing hotel that is substantially renovated in connection with a new or existing convention center and would substantially and directly impact the operations of such convention center;
  - It is a new hotel associated with a new conference center that primarily services out of area users provided that the center has stand-alone food service facilities and provide state of art conference center amenities;
  - It is a new hotel constructed in connection with a major regional destination attraction and the new hotel would directly support the operations of the major regional attraction; and/or
  - It is a component part of an Adaptive Reuse Project that meets the additional requirements for the such Adaptive Reuse Projects as outlined above.

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