

In The Matter Of:
The Application of:
MHTC Development, LLC, and 43 Eastdale Avenue, LLC

Minutes of Public Hearing
November 30, 2020

Mary T. Babiarz Court Reporting Service, Inc.
11 Market Street, Suite 215
Poughkeepsie, New York 12601
Phone: (845) 471-2511 / Fax: (845) 471-2822
www.babiarzreporting.com

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PUBLIC HEARING: TOWN OF POUGHKEEPSIE

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In the Matter of the Application of:
MHTC DEVELOPMENT, LLC, AND 43 EASTDALE AVENUE, LLC,
FOR FINANCIAL ASSISTANCE FROM THE DUTCHESS COUNTY
INDUSTRIAL DEVELOPMENT CORPORATION.

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DATED: November 30, 2020
Poughkeepsie, New York
9:00 a.m. - 9:10 a.m.

Donna M. Wells, Reporter

MINUTES
OF
PUBLIC HEARING

Mary T. Babiarz Court Reporting Service, Inc.
(845) 471-2511

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APPEARANCES :

DONALD CAPPILLINO, ESQ.
HEARING OFFICER
CAPPILLINO, ROTHSCHILD & EGAN, LLP
7 Broad Street
P.O. Box 390
Pawling, New York 12564

ALSO PRESENT :

Sara Lee, CEO, Think Dutchess
EASTDALE AVENUE, LLC/MHTC DEVELOPMENT, LLC
Joe Kirchhoff
John Hettinger
Lynn Varuzzo
Lou Varuzzo

SPEAKERS :

Doreen Tignanelli
James Beretta

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HEARING OFFICER'S EXHIBITS

1	Notice of public hearing	
	For Identification/In Evidence	4:5
2	Affidavit of publication	
	For Identification/In Evidence	4:9
3	Affidavit of Jenna L. Jones	
	For Identification/In Evidence	4:13
4	Designation letter dated 11/10/20	
	For Identification/In Evidence	4:17

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Eastdale Avenue, LLC/MHTC, LLC
(Whereupon the following exhibits were
marked before the start of the hearing)

NOTICE OF PUBLIC HEARING RECEIVED AND MARKED
AS HEARING OFFICER'S EXHIBIT 1
FOR IDENTIFICATION/IN EVIDENCE

AFFIDAVIT OF PUBLICATION RECEIVED AND MARKED
AS HEARING OFFICER'S EXHIBIT 2
FOR IDENTIFICATION/IN EVIDENCE

AFFIDAVIT OF JENNA L. JONES RECEIVED AND MARKED
AS HEARING OFFICER'S EXHIBIT 3
FOR IDENTIFICATION/IN EVIDENCE

DESIGNATION LETTER DATED 11/10/20 RECEIVED AND MARKED
AS HEARING OFFICER'S EXHIBIT 4
FOR IDENTIFICATION/IN EVIDENCE

THE HEARING OFFICER: Good morning
everyone. I now open this rescheduled
public hearing. This is in the matter of
the application of MHTC Development, LLC,
for financial assistance from the Dutchess

1 Eastdale Avenue, LLC/MHTC, LLC
2 County Industrial Development Agency.

3 Before the public hearing began I
4 had the court reporter mark into Evidence
5 Hearing Officer's Exhibit Number 1, the
6 notice of the scheduled public hearing in
7 this matter.

8 I've marked as Hearing Officer's
9 Exhibit Number 2 in Evidence, the
10 affidavit of publication from the
11 Poughkeepsie Journal indicating that this
12 notice of public hearing was published in
13 the Poughkeepsie Journal on November 16,
14 2020.

15 I had marked as Hearing Officer's
16 Exhibit Number 3 in Evidence, the
17 affidavit of Jenna L. Jones indicating
18 that she had served a copy of the notice
19 of public hearing on the Honorable Jon J.
20 Baisley, Supervisor of the Town of
21 Poughkeepsie, on Dr. Brendan Lyons,
22 Superintendent of Schools for the
23 Arlington Central School District, and
24 upon the Honorable Marcus J. Molinaro,
25 Dutchess County Executive, this being sent

1 Eastdale Avenue, LLC/MHTC, LLC
2 on November 16, 2020.

3 I have marked as Hearing Officer's
4 Exhibit Number 4 in evidence, the November
5 10, 2020 letter of Timothy Dean, Chairman
6 of the Dutchess County Industrial
7 Development Agency, a letter authorizing
8 me to conduct this public hearing.

9 With that, I will now open the
10 public hearing for any comments. Do the
11 applicants want to make a brief statement,
12 if you'd like?

13 BY MR. HETTINGER: Sure. And, if
14 appropriate, I can share my screen and
15 provide a little bit of information on the
16 project.

17 THE HEARING OFFICER: That's up to
18 you.

19 BY MR. HETTINGER: Can everybody see
20 my screen?

21 THE HEARING OFFICER: Yes.

22 BY MR. HETTINGER: Thank you for
23 giving us the opportunity this morning and
24 I hope everybody had a wonderful
25 Thanksgiving.

1 Eastdale Avenue, LLC/MHTC, LLC

2 The project we're discussing today
3 will be owned and operated by 43 Eastdale
4 Avenue, LLC, and would represent an
5 allocation of benefits previously
6 conferred upon MHTC Development.

7 43 Eastdale Avenue is a 3,809 square
8 foot mixed use commercial residential
9 building located on the northwest side of
10 Route 44. The building is a prominent end
11 cap adjacent to 45 Eastdale Avenue North
12 which is currently under construction.
13 It's sort of catty-cornered to the
14 cottages which are open and operating
15 currently. The building will have a clean
16 and traditional look that compliments the
17 architectural vernacular of Eastdale
18 Village while remaining unique and unto
19 itself with elements including large
20 storefront windows, attractive awnings, a
21 blade sign and track doors. The project
22 is majority owned by the Varuzzo family
23 and is consistent with the intent of the
24 plan for Eastdale Village and it's
25 development is consistent with the IDA'S

1 Eastdale Avenue, LLC/MHTC, LLC
2 mission.

3 MHTC Development continues to
4 champion the owner/operator construct as
5 much as possible and aims to support
6 further owner/operators within the Town
7 Center as much as possible based on the
8 enthusiasm, buy-in, and level of
9 commitment that's part and parcel of that
10 approach.

11 With that, I will turn it over to
12 Lynn and Lou Varuzzo who are the primary
13 owners of 43 Eastdale Avenue.

14 BY MS. VARUZZO: Thank you, John.
15 Providing that we receive the support of
16 the IDA, my husband, Lou, and I, are
17 prepared to develop a Class A mixed use
18 commercial and residential property in
19 partnership with MHTC Development that
20 will enable us to grow our business beyond
21 what is feasible in our current location.
22 We have been in business now for two
23 years. We are currently in Pleasant
24 Valley and we're looking to be able to
25 extend our business and also have the

1 Eastdale Avenue, LLC/MHTC, LLC
2 additional wonderful living options that
3 would be available to the Dutchess County
4 residents with the IDA's help to move it
5 to Eastdale.

6 THE HEARING OFFICER: Thank you.
7 John Hettinger, could you just clarify one
8 point here. Again, you're not asking the
9 IDA for any additional benefits. You're
10 just asking that benefits that have
11 previously been granted in a pro rata
12 fashion be allocated to this particular
13 project; is that accurate?

14 BY MR. HETTINGER: That is accurate,
15 Don.

16 THE HEARING OFFICER: Would anyone
17 else like to speak? I do note that we did
18 receive letters from James Beretta and
19 Doreen Tignanelli who are here. I don't
20 know if they wish to speak as well but we
21 did receive those letters and those
22 letters will be passed onto the Board with
23 the transcript of this public hearing.

24 BY MS. TIGNANELLI: Mr. Cappillino,
25 I would like to speak.

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Eastdale Avenue, LLC/MHTC, LLC

THE HEARING OFFICER: Please do.

BY MS. TIGNANELLI: Thank you. I say that I'm opposed to the final issuance or granting of financial assistance to 43 Eastdale Avenue. While this may not be additional benefits it is something that will be needed to be voted on so this is not like a given. The application also states that there's one FTE and that was not clear if the one FTE is the person who currently is at the existing site. Will this be additional employees and part of my concern has been all along that IDA numbers regarding job creation numbers, projected numbers, often are not accurate, and while there is a call back option the provision's meaningless if the IDA is not ensuring the accuracy of job numbers.

So, again, the job creation number is of concern. I brought it up for one other Eastdale project and it was not addressed. And, again, it seems highly unlikely that the applicants and their associated family trusts that were outline

1 Eastdale Avenue, LLC/MHTC, LLC
2 in the original application could not
3 absorb these tax exemptions due to the tax
4 requirements for this project and that the
5 project would not go forward without
6 financial assistance. Thank you.

7 THE HEARING OFFICER: Thank you.
8 Next? Jim Beretta, do you want to speak?

9 BY MR. BERETTA: Yes. Good morning,
10 Mr. Cappillino and folks on the call. I
11 submitted written comments. You should
12 have them. By the way, we submitted them
13 since this was postponed from the last
14 time. I put my opposition to the
15 financial assistance. One of things I
16 also put in there was there is only one
17 FTE and for the hearing on 39 Eastdale,
18 which also had one FTE, when the proposed
19 occupant gave their presentation they
20 indicated that they would have four FTEs
21 so it didn't match up with the
22 application. I don't know what the story
23 is on this one but we have history here
24 now of that kind of thing happening.
25 Basically it's a transfer of taxes to the

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Eastdale Avenue, LLC/MHTC, LLC
other residents so I'm opposed to the
financial assistance.

THE HEARING OFFICER: All Right.
Thank you. Thank you for your comments.
I do know that the IDA does track job
creation and they keep good records of all
of that and it is followed up on a regular
basis and this on an overall project basis
so that will all be measured and I'm sure
they will ensure compliance.

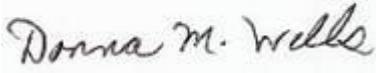
Does anyone else have anything else
to say?

With that, I will close the public
hearing. Thank you everyone for your time
and your comments. Take care.

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STATE OF NEW YORK)
) ss:
COUNTY OF DUTCHESS)

I, DONNA M. WELLS, a stenotype reporter and Notary Public within and for the State of New York, do hereby certify that the foregoing is a true and correct transcript of the minutes recorded by me and reduced to typewriting under my supervision to the best of my knowledge and ability.



DONNA M. WELLS

Dated: November 30, 2020

Sarah Lee

From: Jim Beretta <jimberetta@aol.com>
Sent: Monday, November 09, 2020 6:28 PM
To: Sarah Lee
Subject: Public Hearing Comments, 43 Eastdale Avenue, LLC

I wish to submit the following public comments for the November 10, 2020 DCIDA public hearing for the financial assistance request from MHTC Development, LLC and 43 Eastdale Avenue, LLC.

As per the meeting notice:

"MHTC DEVELOPMENT, LLC, a Delaware limited liability company authorized to do business in New York with offices at 199 West Road, Suite 101, Pleasant Valley, New York 12569 (the "Master Company"), submitted an application (the "Application") to the Agency for financial assistance to finance a project (the "Master Project") in connection with the construction, improvement, reconstruction, repair, renovation, installation, furnishing and equipping of a certain mixed use commercial facility (the "Master Facility") in eight phases, known as "Eastdale Village Town Center", which financial assistance was approved by resolution dated August 7, 2018. "

I am opposed to the financial assistance requested for this project.

1. Per the letter from MHTC DEVELOPMENT LLC, dated October 13, 2020, the number of jobs to be created and or maintained is **only "1" (one) FTE.**
2. There is no business case provided that demonstrates that this project is not economically feasible without financial assistance.
3. When development projects don't pay their taxes the burden is shifted to other taxpayers. Especially during this time of the COVID-19 pandemic, governments and municipalities have gaps in their budgets and absolving some from paying taxes is antithetical to the gaps in municipal budgets and fairness for all other taxpayers.
4. Millions of people in the country are facing unemployment and the lack of ability to put food on the table for their family. All taxes should be collected from for-profit, non-tax-exempt projects.
6. Right here in the Hudson Valley, a recent article in the Poughkeepsie Journal pointed out that **"38% of Hudson Valley households struggle to make ends meet"**. I reference that article below:

Poughkeepsie Journal article by Ryan Santistvan, August 12, 2020.

"ALICE report shows 38% of Hudson Valley households struggle to make ends meet"

" Amid the COVID-19 pandemic, unemployment across the region and state has soared. But even before that, roughly 38% of Hudson Valley households and 45% of households across the state were not making enough money to cover their basic needs, according to the United Way of New York. And, those numbers were disproportionately higher when looking only at black and hispanic households.

7. Dutchess County is experiencing financial budget gaps due to the COVID-19 pandemic, having to furlough employees, offer early retirement and take other spending cuts to try and meet the financial challenge. The County can ill afford to be providing tax exemptions. As quoted in the following referenced article, Dutchess County is at the top of the list, "statewide", for sales tax loss, so far, in 2020 and the County Executive "was projecting 50% less revenue in sales tax this year amid the pandemic."

Rockland/Westchester Journal News, May 12, 2020, David McKay Wilson

"Dutchess County had the biggest year-to-year sales tax decline statewide in March, with a loss of 17%, as popular restaurants shifted to take-out, and tourists stayed home. April was even worse, with sales taxes revenue down 27%. For the first four months of 2020, Dutchess sales tax receipts are down \$4.5 million, or 7%. Last month, Dutchess County Executive Marc Molinaro said the county was projecting 50% less revenue in sales tax this year amid the pandemic. The restoration "I daresay, is going to last through the duration of 2020," he said. "

Again, I am opposed to the financial assistance being requested.

Jim Beretta
Poughkeepsie
845-392-6252

Sarah Lee

From: Doreen Tignanelli <doreentig@aol.com>
Sent: Tuesday, November 10, 2020 8:25 AM
To: Sarah Lee
Subject: Public Comment, 43 Eastdale Avenue Project, DCIDA Public Hearing, Nov 10, 2020

Ms. Lee, please include my comments as part of the official public record for the 9:30 am November 10, 2020 DCIDA Public Hearing regarding MHTC Development, LLC and 43 Eastdale Avenue, LLC project and share these comments with the DCIDA Chair and Board members.

- 1)** I am opposed to the issuance of "Financial Assistance" to the 43 Eastdale Avenue Project in any form including, but not limited to, Mortgage Tax Exemption, Sales Tax Exemption and Payment in Lieu of Taxes (PILOT).
- 2)** The applicants continually seek financial assistance for the Eastdale project at the expense of taxpayers. It seems highly unlikely that the applicants and the associated family trusts and/or family entities outlined in the original and updated applications could not absorb the requested sales tax exemption and mortgage tax exemption for this project and that the project would not be able to go forward without financial assistance from the DCIDA.
- 3)** While the application states "1 FTE", it is unclear if the commercial space "Daffodils" will be moving to Eastdale from its existing site in Pleasant Valley. If the "1 FTE" is from the existing site, there would be no job creation benefit from the granting of financial assistance.

Doreen A. Tignanelli
29 Colburn Drive
Poughkeepsie NY 12603

Sarah Lee

From: Jim Beretta <jimberetta@aol.com>
Sent: Sunday, November 29, 2020 7:54 PM
To: Sarah Lee
Subject: Fwd: Public Hearing Comments, 43 Eastdale Avenue, LLC

I am resubmitting my comments (attached below) for 43 Eastdale Avenue for the November 30, 2020 DCIDA public hearing which was rescheduled from November 10, 2020.

-----Original Message-----

From: Jim Beretta <jimberetta@aol.com>
To: sarah@thinkdutchess.com <sarah@thinkdutchess.com>
Sent: Mon, Nov 9, 2020 6:28 pm
Subject: Public Hearing Comments, 43 Eastdale Avenue, LLC

I wish to submit the following public comments for the November 10, 2020 DCIDA public hearing for the financial assistance request from MHTC Development, LLC and 43 Eastdale Avenue, LLC.

As per the meeting notice:

"MHTC DEVELOPMENT, LLC, a Delaware limited liability company authorized to do business in New York with offices at 199 West Road, Suite 101, Pleasant Valley, New York 12569 (the "Master Company"), submitted an application (the "Application") to the Agency for financial assistance to finance a project (the "Master Project") in connection with the construction, improvement, reconstruction, repair, renovation, installation, furnishing and equipping of a certain mixed use commercial facility (the "Master Facility") in eight phases, known as "Eastdale Village Town Center", which financial assistance was approved by resolution dated August 7, 2018. "

I am opposed to the financial assistance requested for this project.

1. Per the letter from MHTC DEVELOPMENT LLC, dated October 13, 2020, the number of jobs to be created and or maintained is **only "1" (one) FTE.**
2. There is no business case provided that demonstrates that this project is not economically feasible without financial assistance.
3. When development projects don't pay their taxes the burden is shifted to other taxpayers. Especially during this time of the COVID-19 pandemic, governments and municipalities have gaps in their budgets and absolving some from paying taxes is antithetical to the gaps in municipal budgets and fairness for all other taxpayers.
4. Millions of people in the country are facing unemployment and the lack of ability to put food on the table for their family. All taxes should be collected from for-profit, non-tax-exempt projects.
6. Right here in the Hudson Valley, a recent article in the Poughkeepsie Journal pointed out that **"38% of Hudson Valley households struggle to make ends meet"**. I reference that article below:

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7. Dutchess County is experiencing financial budget gaps due to the COVID-19 pandemic, having to furlough employees, offer early retirement and take other spending cuts to try and meet the financial challenge. The County can ill afford to be providing tax exemptions. As quoted in the following referenced article, Dutchess County is at the top of the list, "statewide", for sales tax loss, so far, in 2020 and the County Executive "was projecting 50% less revenue in sales tax this year amid the pandemic."

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"Dutchess County had the biggest year-to-year sales tax decline statewide in March, with a loss of 17%, as popular restaurants shifted to take-out, and tourists stayed home. April was even worse, with sales taxes revenue down 27%. For the first four months of 2020, Dutchess sales tax receipts are down \$4.5 million, or 7%. Last month, Dutchess County Executive Marc Molinaro said the county was projecting 50% less revenue in sales tax this year amid the pandemic. The restoration "I daresay, is going to last through the duration of 2020," he said. "

Again, I am opposed to the financial assistance being requested.

Jim Beretta
Poughkeepsie
845-392-6252

Sarah Lee

From: Doreen Tignanelli <doreentig@aol.com>
Sent: Sunday, November 29, 2020 8:19 PM
To: Sarah Lee
Subject: Public Comment, 43 Eastdale Avenue Project, DCIDA Rescheduled Public Hearing, Nov 30, 2020

Ms. Lee, please include my comments as part of the official public record for the DCIDA Public Hearing for MHTC Development, LLC and 43 Eastdale Avenue, LLC project that was rescheduled to 9:00 am on November 30, 2020 and share these comments with the DCIDA Chair and Board members.

1) I am opposed to the issuance of "Financial Assistance" to the 43 Eastdale Avenue Project in any form including, but not limited to, Mortgage Tax Exemption, Sales Tax Exemption and Payment in Lieu of Taxes (PILOT).

2) The applicants continually seek financial assistance for the Eastdale project at the expense of taxpayers. It seems highly unlikely that the applicants and the associated family trusts and/or family entities outlined in the original and updated applications could not absorb the requested sales tax exemption and mortgage tax exemption for this project and that the project would not be able to go forward without financial assistance from the DCIDA.

3) While the application states "1 FTE", it is unclear if the commercial space to be subleased to LVL Enterprises, LLC will be moving "Daffodils" to Eastdale from its existing site in Pleasant Valley. If the "1 FTE" is from the existing site, there would be no job creation benefit.

Doreen A. Tignanelli
29 Colburn Drive
Poughkeepsie NY 12603