

STATE OF NEW YORK
COUNTY OF DUTCHESS

-----X
DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT
AGENCY RE:

VIOLET ESTATES, LLC and
VIOLET ESTATES OWNER, LLC

-----X

DATE: December 8, 2020
9:30 a.m. - 9:38 a.m.

Frances M. Elmes, Reporter

MINUTES OF PUBLIC HEARING
CONDUCTED BY REMOTE VIDEOCONFERENCE

MARY T. BABIARZ COURT REPORTING SERVICE, INC.
(845) 471-2511

1 APPEARING BY REMOTE VIDEO CONFERENCE:

2 DONALD CAPPILLINO, Hearing Officer
3 CAPPILLINO & ROTHSCHILD, LLP
4 Seven Broad Street
5 P.O. Box 390
6 Pawling, New York 12564
7 E-mail: Dc@cappillino.com
8 Jj@cappillino.com

9 SARAH LEE, CFO, Think Dutchess Alliance
10 for Business
11 3 Neptune Avenue
12 Poughkeepsie, New York 12601
13 E-mail: Sarah@thinkdutchess.com

14

15 RACHEL WELCH

16 LOUIS REYNOLDS

17 MATTHEW EARL

18 PATRICK GARTLAND, ESQ.

19 JAMES BERETTA

20 DOREEN TIGNANELLI

21

22

23

24

25

1 Proceedings

2 MR. CAPPILLINO: Good morning
3 everyone. I'm now opening the public
4 hearing on the application of Violet
5 Estates, LLC and Violet Estates Owner,
6 LLC. Before this public hearing began I
7 had marked in evidence as Hearing
8 Officer's Exhibit Number 1 the Notice of
9 Public Hearing in this matter indicating
10 this public hearing would be held by
11 Zoom conference today, December 8, 2020,
12 at 9:30 a.m. I have marked as Hearing
13 Officer's Exhibit Number 2 in evidence
14 the affidavit of Nicholas Renstrom of
15 the Poughkeepsie Journal indicating that
16 on November 24, 2020 the Notice of
17 Public Hearing was published in the
18 Poughkeepsie Journal.

19 I have marked as Hearing
20 Officer's Numbers 3, 4 and 5
21 respectively the Waivers of Notice that
22 are from the Dutchess County Executive's
23 office, from the Superintendent of
24 Schools of the Hyde Park Central School
25 District and the Honorable John J.

1 Proceedings

2 Baisley, the Town Supervisor of the Town
3 of Poughkeepsie. I had marked as
4 Hearing Officer's Exhibit Number 6 the
5 November 20, 2020 letter from Timothy
6 Dean, Chairman of the Dutchess County
7 Industrial Development Agency,
8 appointing me as the hearing officer in
9 this matter.

10 And so now I will open this up
11 for discussion. The applicant first, if
12 you have anything at all to say at the
13 beginning, if you would like an
14 opportunity, please comment. It looks
15 like we have from the applicant, it
16 looks like Matthew Earl from Reynolds
17 Asset Management, Patrick Gartland, the
18 attorney, and, I'm sorry, Louis, I don't
19 have your last name.

20 MR. REYNOLDS: Reynolds.

21 MR. CAPPILLINO: Reynolds, okay.
22 Then that sort of does it. So would any
23 of you like to speak in this particular
24 matter?

25 MR. REYNOLDS: I can speak and,

1 Proceedings

2 if needed, Matthew can also jump in.

3 MR. CAPPILLINO: Okay. So would
4 you like to make a short presentation as
5 to what this project is about, if you'd
6 like?

7 MR. REYNOLDS: Yeah, sure. This
8 project is a 55 and older apartment
9 community. It's based in the Town of
10 Poughkeepsie. It's going to be
11 comprised of six individual buildings,
12 two with elevators, two without --- four
13 without, and we're catering to a 55 plus
14 community strictly.

15 The project is scheduled to get
16 started within maybe the first part of
17 next year we would probably be starting
18 to process the work. And it's going to
19 have a lot of other community benefits,
20 as well, for the people who live there.
21 There will be some retail. There will
22 be about 8,000 square feet of retail
23 which will be street frontage on Violet
24 Avenue and the expectation for that is
25 that we will have personal service,

1 Proceedings

2 retail type establishments, hair salons,
3 nail salons, maybe a deli or a coffee
4 shop, something along those lines. And
5 the project is going to --- that's about
6 it, that's the short end of it. If
7 you'd like to know anything more, just
8 please let me know.

9 MR. CAPPILLINO: Thank you.

10 Mr. Earl or Mr. Gartland, would either
11 of you like to add anything?

12 MR. GARTLAND: I have nothing to
13 add.

14 MR. EARL: No, I have nothing to
15 add, as well.

16 MR. CAPPILLINO: Fine.

17 Mr. Beretta, would you like to speak? I
18 just want to say, before you start, we
19 did receive your written comments and
20 they will be passed on to the Board
21 along with the transcript of this
22 hearing, which will be prepared
23 immediately after the hearing and sent
24 to the Board so they have an opportunity
25 to see any comments. Okay. So if you

1 Proceedings

2 would, Mr. Beretta.

3 MR. BERETTA: All right. Thank
4 you very much, Mr. Cappillino. Good
5 morning to you and to every one on the
6 call. I'm opposed to the granting of
7 any financial assistance to this
8 project, I detailed it in my written
9 comments. I'm not convinced that this
10 project wouldn't be viable without this
11 financial assistance and I think that
12 the municipality and the county and the
13 school district could all use the extra
14 tax revenue. Thank you.

15 MR. CAPPILLINO: All right.
16 Thank you, sir. All right. Doreen
17 Tignanelli, would you like to add
18 anything?

19 MS. TIGNANELLI: Yes,
20 Mr. Cappillino. I just submitted
21 written comments myself, so I'm also
22 opposed to the issuance of financial
23 assistance to this project. I don't
24 believe it's needed. The project is
25 likely to be profitable without

1 Proceedings

2 assistance. There's a low apartment
3 vacancy rate in the county and even the
4 2019 Dutchess County Rental Housing
5 Survey prepared by Dutchess County
6 Planning notes that the low vacancy rate
7 for apartment rentals benefits
8 landlords.

9 At the May 6, 2020 Poughkeepsie
10 Town Board meeting Mr. Reynolds told the
11 Board that he needed the tax break due
12 to rapidly increasing construction costs
13 and he attributed this to the fact that
14 the construction workers would rather
15 stay home on unemployment than come back
16 to the job. He also cited a supply
17 chain breakdown, noting it was unclear
18 if that would correct itself over a
19 short or a long period of time.

20 So the developer is asking for a
21 long term tax break for a supposed
22 problem that could correct itself in the
23 short term and in the meantime other
24 taxpayers will pick up the tab for the
25 developer's tax break and likely

1 Proceedings

2 resulting in higher profits for him and
3 some of those taxpayers may be the same
4 construction workers that he disparaged.

5 And, again, job creation numbers
6 promised by applicants often fail to
7 materialize or are inaccurately
8 reported, as noted by the Dutchess
9 County Comptroller's findings in the
10 September 2018 audit of the LDC and the
11 IDA. Thank you.

12 MR. CAPPILLNO: Okay. Thank you,
13 Ms. Tignanelli. And does anyone else
14 have anything to say? With that, if
15 there's nothing further I will --- oh,
16 and, Ms. Tignanelli, I do want to add
17 that your written comments, if they are
18 received, will be --- I don't know,
19 Sarah, if you've received those yet, but
20 if you have we'll be sure to send those
21 on to the Board, along with the written
22 transcript containing your comments, as
23 well. Okay?

24 All right. With that I will now
25 close the public hearing. Thank you

1 Proceedings

2 everyone for your attendance, I
3 appreciate it. It's 9:38 a.m. Thank
4 you.

5 * * * *

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

STATE OF NEW YORK)
) SS.
COUNTY OF DUTCHESS)

REPORTER'S CERTIFICATION

I hereby certify that the foregoing is
a true and accurate transcript of the minutes
recorded by me and reduced to typewriting at
my direction.

X Frances M. Elmes
FRANCES M. ELMES

A	8:17 buildings (1) 5:11	3:11 deli (1) 6:3	financial (3) 7:7,11,22 findings (1) 9:9	J
add (5) 6:11,13,15;7:17; 9:16 affidavit (1) 3:14 again (1) 9:5 Agency (1) 4:7 along (3) 6:4,21;9:21 apartment (3) 5:8;8:2,7 applicant (2) 4:11,15 applicants (1) 9:6 application (1) 3:4 appointing (1) 4:8 appreciate (1) 10:3 Asset (1) 4:17 assistance (4) 7:7,11,23;8:2 attendance (1) 10:2 attorney (1) 4:18 attributed (1) 8:13 audit (1) 9:10 Avenue (1) 5:24	C	detailed (1) 7:8	Fine (1) 6:16 first (2) 4:11;5:16 four (1) 5:12 frontage (1) 5:23 further (1) 9:15	job (2) 8:16;9:5 John (1) 3:25 Journal (2) 3:15,18 jump (1) 5:2
B back (1) 8:15 Baisley (1) 4:2 based (1) 5:9 began (1) 3:6 beginning (1) 4:13 benefits (2) 5:19;8:7 Beretta (3) 6:17;7:2,3 Board (5) 6:20,24;8:10,11; 9:21 break (3) 8:11,21,25 breakdown (1)	call (1) 7:6 can (2) 4:25;5:2 CAPPILLINO (8) 3:2;4:21;5:3;6:9, 16;7:4,15,20 CAPPILLNO (1) 9:12 catering (1) 5:13 Central (1) 3:24 chain (1) 8:17 Chairman (1) 4:6 cited (1) 8:16 close (1) 9:25 coffee (1) 6:3 comment (1) 4:14 comments (6) 6:19,25;7:9,21; 9:17,22 community (3) 5:9,14,19 comprised (1) 5:11 Comptroller's (1) 9:9 conference (1) 3:11 construction (3) 8:12,14;9:4 containing (1) 9:22 convinced (1) 7:9 correct (2) 8:18,22 costs (1) 8:12 County (7) 3:22;4:6;7:12;8:3, 4,5;9:9 creation (1) 9:5	developer (1) 8:20 developer's (1) 8:25 Development (1) 4:7 discussion (1) 4:11 disparaged (1) 9:4 District (2) 3:25;7:13 Doreen (1) 7:16 due (1) 8:11 Dutchess (5) 3:22;4:6;8:4,5;9:8	G Gartland (3) 4:17;6:10,12 Good (2) 3:2;7:4 granting (1) 7:6	L landlords (1) 8:8 last (1) 4:19 LDC (1) 9:10 letter (1) 4:5 likely (2) 7:25;8:25 lines (1) 6:4 live (1) 5:20 LLC (2) 3:5,6 long (2) 8:19,21 looks (2) 4:14,16 lot (1) 5:19 Louis (1) 4:18 low (2) 8:2,6
	D	E	H	M Management (1) 4:17 marked (4) 3:7,12,19;4:3 materialize (1) 9:7 matter (3) 3:9;4:9,24 Matthew (2) 4:16;5:2 May (2) 8:9;9:3 maybe (2) 5:16;6:3 meantime (1) 8:23 meeting (1) 8:10 more (1) 6:7
	Dean (1) 4:6 December (1)	Earl (3) 4:16;6:10,14 either (1) 6:10 elevators (1) 5:12 else (1) 9:13 end (1) 6:6 establishments (1) 6:2 Estates (2) 3:5,5 even (1) 8:3 everyone (2) 3:3;10:2 evidence (2) 3:7,13 Executive's (1) 3:22 Exhibit (3) 3:8,13;4:4 expectation (1) 5:24 extra (1) 7:13	I IDA (1) 9:11 immediately (1) 6:23 inaccurately (1) 9:7 increasing (1) 8:12 indicating (2) 3:9,15 individual (1) 5:11 Industrial (1) 4:7 issuance (1) 7:22	
		F		

<p>morning (2) 3:2;7:5 much (1) 7:4 municipality (1) 7:12 myself (1) 7:21</p>		<p>rather (1) 8:14 receive (1) 6:19 received (2) 9:18,19 Renstrom (1) 3:14 Rental (1) 8:4 rentals (1) 8:7 reported (1) 9:8 respectively (1) 3:21 resulting (1) 9:2 retail (3) 5:21,22;6:2 revenue (1) 7:14 Reynolds (7) 4:16,20,20,21,25; 5:7;8:10 right (4) 7:3,15,16;9:24</p>	<p>5:22 start (1) 6:18 started (1) 5:16 starting (1) 5:17 stay (1) 8:15 street (1) 5:23 strictly (1) 5:14 submitted (1) 7:20 Superintendent (1) 3:23 Supervisor (1) 4:2 supply (1) 8:16 supposed (1) 8:21 sure (2) 5:7;9:20 Survey (1) 8:5</p>	<p>use (1) 7:13</p>
	P			V
	<p>Park (1) 3:24 part (1) 5:16 particular (1) 4:23 passed (1) 6:20 Patrick (1) 4:17 people (1) 5:20 period (1) 8:19 personal (1) 5:25 pick (1) 8:24 Planning (1) 8:6 please (2) 4:14;6:8 plus (1) 5:13 Poughkeepsie (5) 3:15,18;4:3;5:10; 8:9 prepared (2) 6:22;8:5 presentation (1) 5:4 probably (1) 5:17 problem (1) 8:22 Proceedings (8) 3:1;4:1;5:1;6:1; 7:1;8:1;9:1;10:1 process (1) 5:18 profitable (1) 7:25 profits (1) 9:2 project (8) 5:5,8,15;6:5;7:8, 10,23,24 promised (1) 9:6 public (6) 3:3,6,9,10,17;9:25 published (1) 3:17</p>			<p>vacancy (2) 8:3,6 viable (1) 7:10 Violet (3) 3:4,5;5:23</p>
N				W
<p>nailed (1) 6:3 name (1) 4:19 needed (3) 5:2;7:24;8:11 next (1) 5:17 Nicholas (1) 3:14 noted (1) 9:8 notes (1) 8:6 Notice (3) 3:8,16,21 noting (1) 8:17 November (2) 3:16;4:5 Number (3) 3:8,13;4:4 Numbers (2) 3:20;9:5</p>				<p>Waivers (1) 3:21 within (1) 5:16 without (4) 5:12,13;7:10,25 work (1) 5:18 workers (2) 8:14;9:4 written (5) 6:19;7:8,21;9:17, 21</p>
		S	T	Y
		<p>salons (2) 6:2,3 same (1) 9:3 Sarah (1) 9:19 scheduled (1) 5:15 School (2) 3:24;7:13 Schools (1) 3:24 send (1) 9:20 sent (1) 6:23 September (1) 9:10 service (1) 5:25 shop (1) 6:4 short (4) 5:4;6:6;8:19,23 six (1) 5:11 sorry (1) 4:18 sort (1) 4:22 speak (3) 4:23,25;6:17 square (1)</p>	<p>tab (1) 8:24 tax (4) 7:14;8:11,21,25 taxpayers (2) 8:24;9:3 term (2) 8:21,23 Tignanelli (4) 7:17,19;9:13,16 Timothy (1) 4:5 today (1) 3:11 told (1) 8:10 Town (4) 4:2,2;5:9;8:10 transcript (2) 6:21;9:22 two (2) 5:12,12 type (1) 6:2</p>	<p>year (1) 5:17</p>
				Z
				<p>Zoom (1) 3:11</p>
				1
				<p>1 (1) 3:8</p>
				2
				<p>2 (1) 3:13 20 (1) 4:5 2018 (1) 9:10 2019 (1) 8:4 2020 (4) 3:11,16;4:5;8:9 24 (1) 3:16</p>
				3
	R			<p>3 (1) 3:20</p>
	<p>rapidly (1) 8:12 rate (2) 8:3,6</p>		U	
			<p>unclear (1) 8:17 unemployment (1) 8:15 up (2) 4:10;8:24</p>	
<p>office (1) 3:23 officer (1) 4:8 Officer's (4) 3:8,13,20;4:4 often (1) 9:6 older (1) 5:8 one (1) 7:5 open (1) 4:10 opening (1) 3:3 opportunity (2) 4:14;6:24 opposed (2) 7:6,22 over (1) 8:18 Owner (1) 3:5</p>				

4				
4 (1) 3:20				
5				
5 (1) 3:20 55 (2) 5:8,13				
6				
6 (2) 4:4;8:9				
8				
8 (1) 3:11 8,000 (1) 5:22				
9				
9:30 (1) 3:12 9:38 (1) 10:3				

From: [RICHARD TRENT](#)
To: [Sarah Lee](#)
Subject: Violet Estates LLC Public Hearing
Date: Sunday, December 06, 2020 5:35:46 PM
Attachments: [Violet Avenue DCF Analysis.pdf](#)

Dear Ms. Lee,

I am writing to express my opposition to the proposed PILOT for Violet Estates, LLC. While I have no objection to this project, I believe it is economically viable without taxpayer subsidies.

Using publicly available data on the local rental market, I modeled the discounted cash flows for a long-term investment in the property. The analysis includes payment of 100% of assessed real property taxes, without a PILOT or other incentives. I assumed that the apartments would rent for the average price for market rate apartments. Given that senior housing is in high demand, this is a fairly conservative assumption. My model indicates that the owner would receive discounted cash flows over a 25 year period of \$2.85M and a 15% internal rate of return. This excludes the significant cash inflows from sale of the property. These results suggest that a strong business case exists for the project even in the absence of any incentives.

In October, 2020, the Ulster County IDA was able to win significant concessions from the developer of the Kingstonian after the IDA requested an independent assessment of the project. I suspect that the independent analysis would have revealed that the incentives requested by the developer were far in excess of what would be required to make the project economically viable. As a general practice, I think the Dutchess IDA should require applicants to pay for a financial analysis by a competent and independent third party.

I respectfully request that the IDA reject the PILOT application. Alternatively, I would suggest that any offer of financial assistance be made only after review of an independent assessment paid for by the applicant.

Attached below is the link to an article about the Kingstonian project and an excerpt from my DCF model.

<https://midhudsonnews.com/2020/10/24/new-pilot-framework-for-kingstonian-would-more-than-double-payments/>

Regards,

Richard L. Trent, Jr.
4 Timberline Drive
Poughkeepsie, NY 12603
845-462-8568

Discounted Cash Flow Analysis

Year	Total Apartment Rent Income	Retail Space Rent Income	Total Cash Received	Expenses Total Expense	Pre-Tax Cash Flows	Income Tax	Cash Flows After Tax	Apartments	1BR	2BR
1 2021	\$ -	\$ -	\$ -	\$ 984,615	\$ (984,615)	\$ (206,769)	\$ (777,846)	Number of units		15 69
2 2022	\$ 805,232	\$ 67,095	\$ 872,327	\$ 1,474,806	\$ (602,479)	\$ (126,521)	\$ (475,959)	Annual Increase		2.0% 2.0%
3 2023	\$ 1,566,767	\$ 134,190	\$ 1,700,957	\$ 1,565,793	\$ 135,164	\$ 28,384	\$ 106,779	Base Year Rent	\$	1,330 \$ 1,618
4 2024	\$ 1,598,102	\$ 136,874	\$ 1,734,976	\$ 1,577,485	\$ 157,491	\$ 33,073	\$ 124,418	Hotel		
5 2025	\$ 1,630,064	\$ 139,611	\$ 1,769,676	\$ 1,589,413	\$ 180,263	\$ 37,855	\$ 142,408	Number of rooms		0
6 2026	\$ 1,662,666	\$ 142,404	\$ 1,805,069	\$ 1,601,577	\$ 203,493	\$ 42,733	\$ 160,759	Average Daily Rate	\$	100.00
7 2027	\$ 1,695,919	\$ 145,252	\$ 1,841,171	\$ 1,613,985	\$ 227,186	\$ 47,709	\$ 179,477	Occupancy		60.00%
8 2028	\$ 1,729,837	\$ 148,157	\$ 1,877,994	\$ 1,626,642	\$ 251,352	\$ 52,784	\$ 198,568	Daily Revenue	\$	-
9 2029	\$ 1,764,434	\$ 151,120	\$ 1,915,554	\$ 1,639,550	\$ 276,004	\$ 57,961	\$ 218,043	Annual Revenue	\$	-
10 2030	\$ 1,799,723	\$ 154,142	\$ 1,953,865	\$ 1,652,717	\$ 301,148	\$ 63,241	\$ 237,907	Annual Increase		2.0%
11 2031	\$ 1,835,717	\$ 157,225	\$ 1,992,942	\$ 1,666,147	\$ 326,796	\$ 68,627	\$ 258,169	Retail		
12 2032	\$ 1,872,432	\$ 160,369	\$ 2,032,801	\$ 1,679,847	\$ 352,954	\$ 74,120	\$ 278,834	Square Footage		7100
13 2033	\$ 1,909,880	\$ 163,577	\$ 2,073,457	\$ 1,693,820	\$ 379,637	\$ 79,724	\$ 299,913	Occupancy		90.00%
14 2034	\$ 1,948,078	\$ 166,848	\$ 2,114,926	\$ 1,708,072	\$ 406,854	\$ 85,439	\$ 321,415	Rate per SQF/Mo	\$	1.75
15 2035	\$ 1,987,039	\$ 170,185	\$ 2,157,225	\$ 1,722,611	\$ 434,614	\$ 91,269	\$ 343,345	Monthly Revenue	\$	11,182.50
16 2036	\$ 2,026,780	\$ 173,589	\$ 2,200,369	\$ 1,737,438	\$ 462,931	\$ 97,216	\$ 365,716	Annual Revenue	\$	134,190.00
17 2037	\$ 2,067,316	\$ 177,061	\$ 2,244,377	\$ 1,752,563	\$ 491,814	\$ 103,281	\$ 388,533	Annual Increase		2.00%
18 2038	\$ 2,108,662	\$ 180,602	\$ 2,289,264	\$ 1,767,990	\$ 521,274	\$ 109,468	\$ 411,806	Residual value		
19 2039	\$ 2,150,835	\$ 184,214	\$ 2,335,050	\$ 1,783,726	\$ 551,323	\$ 115,778	\$ 435,545	Land	\$	2,100,000.00
20 2040	\$ 2,193,852	\$ 187,898	\$ 2,381,751	\$ 1,799,777	\$ 581,974	\$ 122,214	\$ 459,759	Construction cost	\$	13,193,750.00
21 2041	\$ 2,237,729	\$ 191,656	\$ 2,429,386	\$ 1,816,149	\$ 613,237	\$ 128,780	\$ 484,457	Book Depreciable Life		40
22 2042	\$ 2,282,484	\$ 195,489	\$ 2,477,973	\$ 1,832,848	\$ 645,125	\$ 135,476	\$ 509,649	PILOT Years		25
23 2043	\$ 2,328,133	\$ 199,399	\$ 2,527,533	\$ 1,849,881	\$ 677,652	\$ 142,307	\$ 535,345	Net Book Value	\$	7,047,656.25
24 2044	\$ 2,374,696	\$ 203,387	\$ 2,578,083	\$ 1,867,255	\$ 710,829	\$ 149,274	\$ 561,555	Income Tax		21%
25 2045	\$ 2,422,190	\$ 207,455	\$ 2,629,645	\$ 1,884,976	\$ 744,669	\$ 156,380	\$ 588,288			
	\$ 45,998,571	\$ 3,937,801	\$ 49,936,371	\$ 41,889,682	\$ 8,046,689	\$ 1,689,805	\$ 6,356,884			
				NPV of Cash Flow:	\$3,607,833.16		\$2,850,188.20			
				IRR	15%		15%			

From: [Jim Beretta](#)
To: [Sarah Lee](#)
Subject: Public Hearing Comments for project proposed by Violet Estates, LLC and Violet Estates Owner, LLC, 12/08/20
Date: Monday, December 07, 2020 9:34:31 PM

I am opposed to the financial assistance requested for the project proposed by Violet Estates, LLC and Violet Estates Owner, LLC, public hearing scheduled on December 08, 2020.

1. This project is likely viable without the requested financial assistance.
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

From: [Doreen Tignanelli](#)
To: [Sarah Lee](#)
Subject: Public Comment, Violet Estates, DCIDA Public Hearing, December 8, 2020
Date: Tuesday, December 08, 2020 9:30:53 AM

Ms. Lee, please include my comments as part of the official public record for the 9:30 am December 8, 2020 DCIDA Public Hearing regarding Violet Estates LLC and Violet Estates Owner LLC project in the Town of Poughkeepsie and share these comments with the DCIDA Chair and Board members.

1) I am opposed to the issuance of "Financial Assistance" to the Violet Estates LLC and Violet Estates Owner LLC project in any form including, but not limited to, Mortgage Tax Exemption, Sales Tax Exemption and Payment in Lieu of Taxes (PILOT).

2) The "Financial Assistance" is simply not needed. The project is likely to be profitable without assistance due to the low apartment vacancy rate in the County. Even the 2019 Dutchess County Rental Housing Survey prepared by Dutchess County Planning notes that the low vacancy rate for apartment rentals benefits landlords.

3) Every project that comes before the IDA seems to threaten the same thing, that without financial assistance from the IDA, the project will not go forward.

The Violet Estates Developer, Mr. Reynolds, at the May 6, 2020 Poughkeepsie Town Board meeting told the Board he needed the tax break break due to rapidly increasing construction costs. He attributed this to the fact that construction workers would rather stay home on unemployment than come back to the job. He also cited a supply chain breakdown, noting it was unclear if that would correct itself over a short or long period of time. So, the developer wants a long-term tax break for a supposed problem that could correct itself in the short-term. This means that other taxpayers will pick up the tab for the developer's tax break, likely resulting in higher profits for him. Some of those taxpayers may be construction workers, the very group he disparaged.

In the year that I have been attending DCIDA meetings, the IDA has never *not* approved any request for Financial Assistance.

4) Job creation numbers promised by applicants often fail to materialize or are inaccurately reported. The DCIDA and their counsel frequently cite the existence of recapture/clawback provisions, meaning if the promised number of jobs are not created tax incentives could have to be repaid. However, these provisions are meaningless if the IDA is not ensuring the accuracy of job numbers.

Inaccuracy of IDA job numbers was noted in Dutchess County Comptroller Robin Lois' findings in her September 2018 LDC/IDA Audit Report stating "*there is no formal monitoring process in place to ensure the accuracy of employment numbers submitted to the agency by project representatives*" and "*In some cases the number of jobs certified by projects to the respective agency did not match what was reported to the Authorities Budget Office through the annual PARIS filing*".

5) The Dutchess County IDA appears to be over-incentivizing projects. According to a July 27, 2020 front-page Poughkeepsie Journal article entitled "Local IDAs grant second-most tax breaks in state", the Dutchess County IDA provided \$22.6 million in net tax exemptions with 1,404 jobs created. Contrast that with the Orange County IDA that provided \$12.6 million in net tax exemptions with 6,511 jobs created according to the article.

Perhaps the Dutchess County IDA is more likely than other IDAs to be influenced into granting higher amounts of financial assistance.

Doreen A. Tignanelli
29 Colburn Drive
Poughkeepsie NY 12603