

STATE OF NEW YORK  
COUNTY OF DUTCHESS

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

MHTC DEVELOPMENT, LLC  
-----X

DATE: April 13, 2021  
10:03 a.m. - 10:13 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 VIDEOCONFERENCE:

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

13 JOHN HETTINGER

14 JOSEPH KIRCHOFF

15 JAMES BERETTA (By Telephone)

16

17

18

19

20

21

22

23

24

25

## 1 Proceedings

2 MR. CAPPILLINO: Okay. Good  
3 morning everyone. I'd like to open the  
4 Public Hearing in the matter of the  
5 application of MHTC Development, LLC for  
6 additional Dutchess County Industrial  
7 Development Agency benefits. Before  
8 this meeting began I had marked as  
9 Hearing Officer's Exhibit Number 1 in  
10 evidence the Notice of Public Hearing in  
11 this matter. I had marked as Hearing  
12 Officer's Number 2 the Affidavit of  
13 Publication from the Poughkeepsie  
14 Journal indicating that on March 30,  
15 2021 a copy of this public hearing was  
16 published in the Poughkeepsie Journal.

17 I've marked as Hearing Officer's  
18 Exhibit Number 3 in evidence the  
19 Affidavit of Jenna Jones indicating that  
20 on March 26th a copy of the Notice of  
21 Public Hearing was sent to the Honorable  
22 Jon J. Baisley, Town Supervisor of the  
23 Town of Poughkeepsie, Dr. Lorenzo  
24 Licopoli, the Interim Superintendent of  
25 Schools of the Arlington Central School

1 Proceedings

2 District, and upon the Honorable Marcus  
3 J. Molinaro, the Dutchess County  
4 Executive. I had marked as Hearing  
5 Officer's Exhibit Number 4 in evidence a  
6 March 26, 2021 letter of Timothy Dean,  
7 Chairman of the Dutchess Industrial  
8 Development Agency authorizing me to  
9 conduct this public hearing on behalf of  
10 the industrial development agency.

11 So I'll now open the public  
12 hearing. I assume either Mr. Hettinger  
13 or Mr. Kirchoff will have something to  
14 say for just an initial presentation.

15 MR. HETTINGER: We would be glad  
16 to do so. Thank you very much for  
17 giving us the opportunity to speak at  
18 this hearing. MHTC Development is  
19 respectfully requesting permission to  
20 incorporate two additional parcels into  
21 our leased premises along with a modest  
22 increase in our sales tax exemption  
23 benefit, as well as an increase in our  
24 mortgage reporting tax exemption benefit  
25 and a two year extension of the overall

1 Proceedings

2 project timeline associated with the  
3 Eastdale Village.

4 Thanks in large part to the  
5 support of the DC IDA we have  
6 accomplished a tremendous amount at  
7 Eastdale since the project began. There  
8 are over two hundred apartments that  
9 have been delivered and are leased and  
10 in many --- in most cases occupied. Six  
11 businesses are currently operating on  
12 site with an additional ten expected to  
13 be operating on Eastdale Avenue within  
14 the next year, but since we initially  
15 entered into our master agreement with  
16 DC IDA a tremendous amount has  
17 transpired which has precipitated the  
18 need for this amended request.

19 First and foremost, like many  
20 we've been licking our wounds from  
21 COVID-19, which is something that we're  
22 still of course all dealing with.  
23 Supply chain issues have significantly  
24 challenged our ability to obtain  
25 materials, not only on an absolute

1 Proceedings

2 basis, but also just on a cost effective  
3 basis as well. The cost of fundamental  
4 building materials has risen  
5 dramatically, which has been well  
6 documented, and has also had a direct  
7 negative impact on our budgets and has  
8 exacerbated the pressure on the rents  
9 required to make the building within  
10 Eastdale economically viable.

11 Lastly, the decision making  
12 process and paradigm for commercial  
13 tenants and businesses is just  
14 dramatically different than it was  
15 18 months ago, meaning that it generally  
16 takes longer for perspective tenants to  
17 make consequential, long range decisions  
18 for their business, such as entering  
19 into a lease or acquiring a piece of  
20 land to house their business.

21 At the same time we know much  
22 more about what Eastdale is going to be  
23 than we did, you know, four years ago  
24 and the project has grown tremendously.  
25 So what was once going to be a one-story

1 Proceedings

2 building may have become a two or  
3 three-story building, which  
4 precipitates, of course, major increases  
5 in costs along with the dynamics that we  
6 just outlined.

7 MHTC Development has also  
8 acquired some neighboring land parcels  
9 which have been integral to the  
10 project's development path and  
11 operation. The countervailing positive  
12 to these challenges which goes along  
13 with this growth is a greater propensity  
14 to create jobs. So along with our  
15 request for this amendment to include  
16 these parcels and the timeline to add  
17 additional benefits we are also looking  
18 to increase the FTE account by 32.

19 So density and size of project  
20 has increased, costs have increased  
21 dramatically, and capital intensity  
22 thusly is just a lot higher, but we're  
23 still doing the things that we need to  
24 do, again thanks in large part to the  
25 IDA, to make the project a success and

1 Proceedings

2 we feel as though we have a very good  
3 ability to continue doing that provided  
4 we are successful with this amendment.

5 MR. CAPPILLINO: Okay. Thank you  
6 very much. Anyone else? We have ---  
7 there's a phone number here that ends in  
8 252, if the person at that phone would  
9 like to speak, just please identify  
10 yourself and then please make yourself  
11 be heard.

12 MR. BERETTA: Yeah. Good  
13 morning, Mr. Cappillino. This is Jim  
14 Beretta. Can you hear me okay?

15 MR. CAPPILLINO: Yeah, I can.  
16 Thanks. Proceed.

17 MR. BERETTA: All right. Okay.  
18 Sure. Thank you for the opportunity to  
19 speak this morning. I submitted written  
20 comments, as well as Doreen Tignanelli.  
21 I'd like to express my opposition for  
22 the expanded financial benefits for this  
23 project. The financial benefits that  
24 are given by the IDA are basically a  
25 transfer of taxes to the rest of the



1 Proceedings

2 taxpaying public.

3 It was discussed at the last IDA  
4 meeting, there were comments made that  
5 the developer in this case has taken,  
6 you know, risks to do this project, and  
7 that may be so, but when you start  
8 handing out tax incentives or, you know,  
9 tax abatements like this and other  
10 financial benefits that also drags the  
11 rest of the taxpaying public into that  
12 risk.

13 In this particular case there's  
14 scope creep going on here in terms of  
15 what the original project was. The IDA  
16 approved the original project, the  
17 financial incentives were given, and  
18 now, you know, during this difficult  
19 time which has been expressed there's  
20 been additional parcels purchased and,  
21 you know, the applicant is asking for  
22 additional financial incentives to  
23 expand the project. And at this time  
24 where, you know, COVID has been an  
25 impact and it apparently has driven up

1 Proceedings

2 construction costs it does not seem like  
3 the appropriate thing to do to go for an  
4 expansion and to actually put the  
5 taxpayers more on the hook for more  
6 financial incentives.

7 I'd like to also say that at the  
8 last IDA meeting Chairman Tim Dean spoke  
9 at length about how the IDA board has  
10 become more and more uncomfortable with  
11 being able to do the proper analysis for  
12 projects and had proposed to the board  
13 that they might consider a third-party  
14 analysis and in particular he said  
15 housing has been a problem because of  
16 the number of projects and this clearly  
17 is largely housing.

18 So it does not seem to be prudent  
19 for the IDA to move forward with  
20 expanded financial incentives with  
21 everything that I've listed above that  
22 just seems to be contrary to, you know,  
23 what would be good judgement. So, all  
24 right, thank you very much.

25 MR. CAPPILLINO: All right.

## 1 Proceedings

2 Thank you. You should just note,  
3 Mr. Beretta, that your letter that was  
4 received at like 8:14 this morning by  
5 Sarah Lee, and Doreen Tignanelli's which  
6 was received a little bit later than  
7 that this morning, both of those will be  
8 transmitted to the board for their  
9 review, because --- and we're ordering  
10 an expedited transcript of this public  
11 hearing and that will go, we're not  
12 waiting on that to send your letters to  
13 the board this morning so that they have  
14 it.

15 MR. BERETTA: Thank you.

16 MR. CAPPILLINO: Okay. Anyone  
17 else have anything to say? If not, I  
18 just ask Frances, our court reporter, if  
19 she would please understand we'd like  
20 the expedited transcript as soon as you  
21 can provide that. And I thank you all  
22 very much and with that I will close  
23 this public hearing.

24 \* \* \* \*  
25

1 STATE OF NEW YORK )  
 ) SS.  
2 COUNTY OF DUTCHESS )  
3  
4

5 REPORTER'S CERTIFICATION

6  
7 I hereby certify that the foregoing is  
8 a true and accurate transcript of the minutes  
9 recorded by me and reduced to typewriting at  
10 my direction.  
11  
12

13 *Frances M. Elmes*  
14 x \_\_\_\_\_  
FRANCES M. ELMES  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

<p><b>A</b></p>	<p>5:2 assume (1) 4:12 authorizing (1) 4:8 Avenue (1) 5:13</p>	<p>challenged (1) 5:24 challenges (1) 7:12 clearly (1) 10:16 close (1) 11:22</p>	<p>density (1) 7:19 developer (1) 9:5 Development (7) 3:5,7;4:8,10,18; 7:7,10</p>	<p>4:22,24 Exhibit (3) 3:9,18;4:5 expand (1) 9:23 expanded (2) 8:22;10:20 expansion (1) 10:4</p>
<p>abatements (1) 9:9 ability (2) 5:24;8:3 able (1) 10:11 above (1) 10:21 absolute (1) 5:25 accomplished (1) 5:6 account (1) 7:18 acquired (1) 7:8 acquiring (1) 6:19 actually (1) 10:4 add (1) 7:16 additional (6) 3:6;4:20;5:12; 7:17;9:20,22 Affidavit (2) 3:12,19 again (1) 7:24 Agency (3) 3:7;4:8,10 ago (2) 6:15,23 agreement (1) 5:15 along (4) 4:21;7:5,12,14 amended (1) 5:18 amendment (2) 7:15;8:4 amount (2) 5:6,16 analysis (2) 10:11,14 apartments (1) 5:8 apparently (1) 9:25 applicant (1) 9:21 application (1) 3:5 appropriate (1) 10:3 approved (1) 9:16 Arlington (1) 3:25 associated (1)</p>	<p><b>B</b></p> <p>Baisley (1) 3:22 basically (1) 8:24 basis (2) 6:2,3 become (2) 7:2;10:10 began (2) 3:8;5:7 behalf (1) 4:9 benefit (2) 4:23,24 benefits (5) 3:7;7:17;8:22,23; 9:10 BERETTA (5) 8:12,14,17;11:3,15 bit (1) 11:6 board (4) 10:9,12;11:8,13 both (1) 11:7 budgets (1) 6:7 building (4) 6:4,9;7:2,3 business (2) 6:18,20 businesses (2) 5:11;6:13</p>	<p>comments (2) 8:20;9:4 commercial (1) 6:12 conduct (1) 4:9 consequential (1) 6:17 consider (1) 10:13 construction (1) 10:2 continue (1) 8:3 contrary (1) 10:22 copy (2) 3:15,20 cost (2) 6:2,3 costs (3) 7:5,20;10:2 countervailing (1) 7:11 County (2) 3:6;4:3 course (2) 5:22;7:4 court (1) 11:18 COVID (1) 9:24 COVID-19 (1) 5:21 create (1) 7:14 creep (1) 9:14 currently (1) 5:11</p>	<p>different (1) 6:14 difficult (1) 9:18 direct (1) 6:6 discussed (1) 9:3 District (1) 4:2 documented (1) 6:6 Doreen (2) 8:20;11:5 Dr (1) 3:23 drags (1) 9:10 dramatically (3) 6:5,14;7:21 driven (1) 9:25 during (1) 9:18 Dutchess (3) 3:6;4:3,7 dynamics (1) 7:5</p>	<p>expected (1) 5:12 expedited (2) 11:10,20 express (1) 8:21 expressed (1) 9:19 extension (1) 4:25</p>
<p></p>	<p><b>C</b></p> <p>Can (3) 8:14,15;11:21 capital (1) 7:21 CAPPILLINO (6) 3:2;8:5,13,15; 10:25;11:16 case (2) 9:5,13 cases (1) 5:10 Central (1) 3:25 chain (1) 5:23 Chairman (2) 4:7;10:8</p>	<p><b>D</b></p> <p>DC (2) 5:5,16 dealing (1) 5:22 Dean (2) 4:6;10:8 decision (1) 6:11 decisions (1) 6:17 delivered (1) 5:9</p>	<p><b>E</b></p> <p>Eastdale (5) 5:3,7,13;6:10,22 economically (1) 6:10 effective (1) 6:2 either (1) 4:12 else (2) 8:6;11:17 ends (1) 8:7 entered (1) 5:15 entering (1) 6:18 everyone (1) 3:3 evidence (3) 3:10,18;4:5 exacerbated (1) 6:8 Executive (1) 4:4 exemption (2)</p>	<p><b>F</b></p> <p>feel (1) 8:2 financial (7) 8:22,23;9:10,17, 22;10:6,20 First (1) 5:19 foremost (1) 5:19 forward (1) 10:19 four (1) 6:23 Frances (1) 11:18 FTE (1) 7:18 fundamental (1) 6:3</p>
<p></p>	<p></p>	<p></p>	<p></p>	<p><b>G</b></p> <p>generally (1) 6:15 given (2) 8:24;9:17 giving (1) 4:17 glad (1) 4:15 goes (1) 7:12 Good (4) 3:2;8:2,12;10:23 greater (1) 7:13 grown (1) 6:24 growth (1) 7:13</p>

				5:4;7:24
<b>H</b>	<b>into (4)</b> 4:20;5:15;6:19; 9:11	3:5 <b>long (1)</b> 6:17	<b>N</b>	<b>particular (2)</b> 9:13;10:14
<b>handing (1)</b> 9:8	<b>issues (1)</b> 5:23	<b>longer (1)</b> 6:16	<b>need (2)</b> 5:18;7:23	<b>path (1)</b> 7:10
<b>hear (1)</b> 8:14	<b>J</b>	<b>looking (1)</b> 7:17	<b>negative (1)</b> 6:7	<b>permission (1)</b> 4:19
<b>heard (1)</b> 8:11	<b>Jenna (1)</b> 3:19	<b>Lorenzo (1)</b> 3:23	<b>neighboring (1)</b> 7:8	<b>person (1)</b> 8:8
<b>Hearing (13)</b> 3:4,9,10,11,15,17, 21;4:4,9,12,18;11:11, 23	<b>Jim (1)</b> 8:13	<b>lot (1)</b> 7:22	<b>next (1)</b> 5:14	<b>perspective (1)</b> 6:16
<b>Hettinger (2)</b> 4:12,15	<b>jobs (1)</b> 7:14	<b>M</b>	<b>note (1)</b> 11:2	<b>phone (2)</b> 8:7,8
<b>higher (1)</b> 7:22	<b>Jon (1)</b> 3:22	<b>major (1)</b> 7:4	<b>Notice (2)</b> 3:10,20	<b>piece (1)</b> 6:19
<b>Honorable (2)</b> 3:21;4:2	<b>Jones (1)</b> 3:19	<b>making (1)</b> 6:11	<b>Number (6)</b> 3:9,12,18;4:5;8:7; 10:16	<b>please (3)</b> 8:9,10;11:19
<b>hook (1)</b> 10:5	<b>Journal (2)</b> 3:14,16	<b>many (2)</b> 5:10,19	<b>O</b>	<b>positive (1)</b> 7:11
<b>house (1)</b> 6:20	<b>judgement (1)</b> 10:23	<b>March (3)</b> 3:14,20;4:6	<b>obtain (1)</b> 5:24	<b>Poughkeepsie (3)</b> 3:13,16,23
<b>housing (2)</b> 10:15,17	<b>K</b>	<b>Marcus (1)</b> 4:2	<b>occupied (1)</b> 5:10	<b>precipitated (1)</b> 5:17
<b>hundred (1)</b> 5:8	<b>Kirchoff (1)</b> 4:13	<b>marked (4)</b> 3:8,11,17;4:4	<b>Officer's (4)</b> 3:9,12,17;4:5	<b>precipitates (1)</b> 7:4
<b>I</b>	<b>L</b>	<b>master (1)</b> 5:15	<b>once (1)</b> 6:25	<b>premises (1)</b> 4:21
<b>IDA (9)</b> 5:5,16;7:25;8:24; 9:3,15;10:8,9,19	<b>land (2)</b> 6:20;7:8	<b>materials (2)</b> 5:25;6:4	<b>one-story (1)</b> 6:25	<b>presentation (1)</b> 4:14
<b>identify (1)</b> 8:9	<b>large (2)</b> 5:4;7:24	<b>matter (2)</b> 3:4,11	<b>only (1)</b> 5:25	<b>pressure (1)</b> 6:8
<b>impact (2)</b> 6:7;9:25	<b>largely (1)</b> 10:17	<b>may (2)</b> 7:2;9:7	<b>open (2)</b> 3:3;4:11	<b>problem (1)</b> 10:15
<b>incentives (5)</b> 9:8,17,22;10:6,20	<b>last (2)</b> 9:3;10:8	<b>meaning (1)</b> 6:15	<b>operating (2)</b> 5:11,13	<b>Proceed (1)</b> 8:16
<b>include (1)</b> 7:15	<b>Lastly (1)</b> 6:11	<b>meeting (3)</b> 3:8;9:4;10:8	<b>operation (1)</b> 7:11	<b>Proceedings (9)</b> 3:1;4:1;5:1;6:1; 7:1;8:1;9:1;10:1;11:1
<b>incorporate (1)</b> 4:20	<b>later (1)</b> 11:6	<b>MHTC (3)</b> 3:5;4:18;7:7	<b>opportunity (2)</b> 4:17;8:18	<b>process (1)</b> 6:12
<b>increase (3)</b> 4:22,23;7:18	<b>lease (1)</b> 6:19	<b>might (1)</b> 10:13	<b>opposition (1)</b> 8:21	<b>project (10)</b> 5:2,7;6:24;7:19,25; 8:23;9:6,15,16,23
<b>increased (2)</b> 7:20,20	<b>leased (2)</b> 4:21;5:9	<b>modest (1)</b> 4:21	<b>ordering (1)</b> 11:9	<b>projects (2)</b> 10:12,16
<b>increases (1)</b> 7:4	<b>Lee (1)</b> 11:5	<b>Molinaro (1)</b> 4:3	<b>original (2)</b> 9:15,16	<b>project's (1)</b> 7:10
<b>indicating (2)</b> 3:14,19	<b>length (1)</b> 10:9	<b>months (1)</b> 6:15	<b>out (1)</b> 9:8	<b>propensity (1)</b> 7:13
<b>Industrial (3)</b> 3:6;4:7,10	<b>letter (2)</b> 4:6;11:3	<b>more (5)</b> 6:22;10:5,5,10,10	<b>outlined (1)</b> 7:6	<b>proper (1)</b> 10:11
<b>initial (1)</b> 4:14	<b>letters (1)</b> 11:12	<b>morning (6)</b> 3:3;8:13,19;11:4,7, 13	<b>over (1)</b> 5:8	<b>proposed (1)</b> 10:12
<b>initially (1)</b> 5:14	<b>licking (1)</b> 5:20	<b>mortgage (1)</b> 4:24	<b>overall (1)</b> 4:25	<b>provide (1)</b> 11:21
<b>integral (1)</b> 7:9	<b>Licopoli (1)</b> 3:24	<b>most (1)</b> 5:10	<b>P</b>	<b>provided (1)</b> 8:3
<b>intensity (1)</b> 7:21	<b>listed (1)</b> 10:21	<b>move (1)</b> 10:19	<b>paradigm (1)</b> 6:12	<b>prudent (1)</b> 10:18
<b>Interim (1)</b> 3:24	<b>little (1)</b> 11:6	<b>much (5)</b> 4:16;6:21;8:6; 10:24;11:22	<b>parcels (4)</b> 4:20;7:8,16;9:20	<b>Public (10)</b> 3:4,10,15,21;4:9, 11;9:2,11;11:10,23
	<b>LLC (1)</b>		<b>part (2)</b>	<b>Publication (1)</b>

3:13 <b>published (1)</b> 3:16 <b>purchased (1)</b> 9:20 <b>put (1)</b> 10:4	<b>significantly (1)</b> 5:23 <b>site (1)</b> 5:12 <b>Six (1)</b> 5:10 <b>size (1)</b> 7:19 <b>soon (1)</b> 11:20 <b>speak (3)</b> 4:17;8:9,19 <b>spoke (1)</b> 10:8 <b>start (1)</b> 9:7 <b>still (2)</b> 5:22;7:23 <b>submitted (1)</b> 8:19 <b>success (1)</b> 7:25 <b>successful (1)</b> 8:4 <b>Superintendent (1)</b> 3:24 <b>Supervisor (1)</b> 3:22 <b>Supply (1)</b> 5:23 <b>support (1)</b> 5:5 <b>Sure (1)</b> 8:18	<b>Tignanelli's (1)</b> 11:5 <b>Tim (1)</b> 10:8 <b>timeline (2)</b> 5:2;7:16 <b>Timothy (1)</b> 4:6 <b>Town (2)</b> 3:22,23 <b>transcript (2)</b> 11:10,20 <b>transfer (1)</b> 8:25 <b>transmitted (1)</b> 11:8 <b>transpired (1)</b> 5:17 <b>tremendous (2)</b> 5:6,16 <b>tremendously (1)</b> 6:24 <b>two (4)</b> 4:20,25;5:8;7:2	<b>1 (1)</b> 3:9 <b>18 (1)</b> 6:15 <b>2</b> <b>2 (1)</b> 3:12 <b>2021 (2)</b> 3:15;4:6 <b>252 (1)</b> 8:8 <b>26 (1)</b> 4:6 <b>26th (1)</b> 3:20 <b>3</b> <b>3 (1)</b> 3:18 <b>30 (1)</b> 3:14 <b>32 (1)</b> 7:18 <b>4</b> <b>4 (1)</b> 4:5 <b>8</b> <b>8:14 (1)</b> 11:4 <b>U</b> <b>uncomfortable (1)</b> 10:10 <b>understand (1)</b> 11:19 <b>up (1)</b> 9:25 <b>upon (1)</b> 4:2 <b>V</b> <b>viable (1)</b> 6:10 <b>Village (1)</b> 5:3 <b>W</b> <b>waiting (1)</b> 11:12 <b>within (2)</b> 5:13;6:9 <b>wounds (1)</b> 5:20 <b>written (1)</b> 8:19 <b>Y</b> <b>year (2)</b> 4:25;5:14 <b>years (1)</b> 6:23 <b>1</b>
<b>R</b>	<b>T</b>	<b>U</b>	
range (1) 6:17 received (2) 11:4,6 rents (1) 6:8 reporter (1) 11:18 reporting (1) 4:24 request (2) 5:18;7:15 requesting (1) 4:19 required (1) 6:9 respectfully (1) 4:19 rest (2) 8:25;9:11 review (1) 11:9 right (3) 8:17;10:24,25 risen (1) 6:4 risk (1) 9:12 risks (1) 9:6			
<b>S</b>			
sales (1) 4:22 same (1) 6:21 Sarah (1) 11:5 School (1) 3:25 Schools (1) 3:25 scope (1) 9:14 seem (2) 10:2,18 seems (1) 10:22 send (1) 11:12 sent (1) 3:21	<b>tax (4)</b> 4:22,24;9:8,9 <b>taxes (1)</b> 8:25 <b>taxpayers (1)</b> 10:5 <b>taxpaying (2)</b> 9:2,11 <b>ten (1)</b> 5:12 <b>tenants (2)</b> 6:13,16 <b>terms (1)</b> 9:14 <b>Thanks (3)</b> 5:4;7:24;8:16 <b>third-party (1)</b> 10:13 <b>though (1)</b> 8:2 <b>three-story (1)</b> 7:3 <b>thusly (1)</b> 7:22 <b>Tignanelli (1)</b> 8:20		

**From:** [Jim Beretta](#)  
**To:** [Sarah Lee](#)  
**Subject:** MHTC DEVELOPMENT, LLC, Public Hearing Comments  
**Date:** Monday, April 12, 2021 8:14:44 PM

---

Ms. Lee (DCIDA CEO),

Following are my comments on the MHTC DEVELOPMENT, LLC project for the public hearing on April 12, 2021.

I am **opposed** to the increases in financial assistance and the financial assistance related to the expansion, both requested by this project as listed by the DCIDA as follows:

" 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" in the Town of Poughkeepsie, Dutchess County, New York, which financial assistance was approved by resolution dated August 7, 2018.

The Company submitted an amended application to the Agency requesting a change in scope for the Master Facility and requesting an **increase in the sales and use tax exemption and mortgage recording tax exemption** granted by the Agency (the "Amended Financial Assistance"). The Agency intends to effectuate the Amended Financial Assistance through amendments to the existing documents between the Company and the Agency with respect to the Master Facility."

" The Agency is contemplating providing Amended Financial Assistance to the Company with respect to the Expanded Master Facility by **granting a real property tax exemption and providing for payments in lieu of real property taxes**. Amended Financial Assistance will also include an **exemption from all state and local sales and use taxes with respect to the qualifying personal property included within the Amended Master Facility or used in the construction, improvement, reconstruction, repair, renovation, installation, furnishing and equipping of the Amended Master Facility and an exemption from all real estate transfer taxes and mortgage recording taxes with respect to any qualifying mortgage on the Amended Master Facility (or such interest in the Amended Master Facility as is conveyed to the Agency) to secure the financial assistance and/or any other indebtedness incurred by or for the benefit of the Company in connection with the Amended Master Facility**. The proposed real property tax abatement will be a permitted deviation from the Agency's Uniform Tax Exemption Policy and this Notice of Public Hearing, when transmitted to the affected taxing jurisdictions, shall serve as notice under Section 874(4)(b) of the New York General Municipal Law as to the proposed deviation. "

**My reasons for opposition are as follows:**

1. All of these tax incentives are a transfer of tax burden to the rest of the taxpaying public.



2. There appears to be no limit to the amount of financial assistance provided by the DCIDA and the applicant can come back after receiving initial financial assistance and plead that costs have gone up and request increases in exemptions.

In general, if this were flipped around and it costs a project applicant less than the stated amount, do they ever come back to the IDA and renegotiate the financial assistance to a lesser amount?

3. The majority of this expansion phase of the Eastdale project is not commercial or manufacturing but is for the creation of additional residential rental units.

4. If construction costs are increasing and the DCIDA provides increased financial assistance, that puts increased risk and burden on the rest of the taxpaying public.

5. There is no rationale to expand the project while construction costs are rising and put expanded tax burden on the other taxpayers and surrounding communities.

6. Why would the agency consider the proposed real property tax abatement which will be a deviation from the Agency's Uniform Tax Exemption Policy?

7. Chairman Tim Dean made extensive comments at the 3/19/21 DCIDA meeting, which I attended, about looking into third party reviews of applicant data for projects coming before the DCIDA because:

- a. "...the board has felt, has become more and more uncomfortable with their ability to evaluate some of the more complex aspects of projects" and,
- b. "the area that this has been most challenging for us recently, just because of the number, has been in the development of housing. But this same issues can apply to other areas as well."

Since the DCIDA is admitting their discomfort in the ability to evaluate projects and the most challenging area is housing, I don't see where, or how, the DCIDA can proceed to grant final approval on this project without a high degree of comfort with the cost analysis of the project and the reasonability study that the third party review is intended to provide. This project is asking for increases on their tax abatements \*and\* an expansion of the project. If the DCIDA board was uncomfortable before, it does not seem possible they can arrive at a comfort level now to increase the financial assistance by using the same process.

DCIDA CEO, Ms. Lee, stated that after preliminary approval the board could request a third party study.

8. During this time of the COVID-19 pandemic, governments and municipalities have gaps in their budgets and absolving a special few from paying taxes is antithetical to the gaps in municipal budgets and fairness for all other taxpayers.

9. 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 non-tax-exempt projects.

10. 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."

11. Dutchess County experienced 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 increased financial assistance being requested.

Jim Beretta  
Town Of Poughkeepsie Resident & Taxpayer

**From:** [Doreen Tignanelli](#)  
**To:** [Sarah Lee](#)  
**Subject:** Public Comment, DCIDA Hearing for MHTC Development, April 13, 2021  
**Date:** Monday, April 12, 2021 8:22:10 PM

---

Ms. Lee, please include my comments as part of the official public record for the DCIDA Public Hearing for MHTC Development, LLC project scheduled for April 13, 2021 at 10:00 am and share these comments with the DCIDA Chair and Board members.

**1)** I am opposed to the issuance of any "Financial Assistance" or "Amended Financial Assistance" to the Project in any form including, but not limited to, an increase in the Sales and Use Tax Exemption and Mortgage Recording Tax Exemption and Payment in Lieu of Taxes (PILOT).

**2)** The majority of this expansion phase of the Eastdale project is not commercial or manufacturing but is for the creation of additional residential rental units. That increased density will contribute to increased profits for the applicants. The project applicants continually seek financial assistance in the form of tax breaks that shift the tax burden to the remaining base, leading to higher tax bills for all other residents.

It seems unlikely that the developers "along with Trusts associated with the Kirchoff family, the Dyson family and the Silver family", as outlined in the application, could not absorb the requested sales tax exemption and mortgage tax exemption for this project.

**3)** Prior DCIDA agenda for MHTC/Eastdale project identified requests to increase the sales tax exemption benefit by an *additional* \$286,901 (\$4,206,212 had already been granted) and to increase the mortgage recording tax exemption benefit by an *additional* \$661,336 (\$554,579 had already granted). No action relating to a real property tax exemption was identified.

However, the Notice of Public Hearing states "*The Agency is contemplating providing Amended Financial Assistance to the Company with respect to the Expanded Master Facility by granting a real property tax exemption and providing for payments in lieu of real property taxes.*"

The reference to the real property tax and PILOT payments is unclear.

**4)** Application, Page 22, Section 4: Retail Determination answers "Yes" to the question "Is the project located in a Highly Distressed Area?". It is not obvious how that is the case as the project location does not appear to have such a designation per the "Hudson Valley Region Distress Criteria Statistical Report". The "Highly Distressed Area" designation also appears in the DCIDA Resolution prepared for the Board's action. According to the Resolution, the facility is not subject to prohibitions on providing financial assistance to retail facilities due to this designation. It does not appear that proof of such a designation was included in the materials.

**5)** Increases in property tax revenue is often cited as a benefit and is based on "Current Assessed Value" and "Estimated New Assessed Value". However, this fails to take into consideration the fact that applicants often challenge the assessed value after project completion. When that happens, projected tax revenues end up being lower than stated.

Doreen A. Tignanelli  
29 Colburn Drive  
Poughkeepsie NY 12603