



## Evaluation of Projects Requesting IDA Benefits

**Project:** Reynolds Asset Management / Violet Estates      **Location:** Town of Poughkeepsie

**Type of Business:** Mixed Use / Housing

### Agency Request

Sales Tax       Mortgage Tax Exemption       PILOT

### Company Description:

Reynolds Asset Management invests in, operates and develops land and commercial real estate, primarily multifamily apartment communities

### Project Description:

The Applicant proposes to construct a multi-family community consisting of six building housing a total of 84 residential units and 7,100 square feet of commercial units. The residential community will be age restricted to those aged 55 and over

### Project Timeline:

Proposed date for commencement of acquisition or construction: December 2020

The actual or expected dates of:

Construction completion: July 2022 (All phases complete)

Occupancy: February 2022 (First phase)

### Total Cost of Project:

Amount Private Investment

Total Project Cost \$ 18,000,000 Private Investment: \$ 4,500,000

Amount of other public financial assistance, grants and source \$ 0

Construction Costs: \$ 13,193,750      Equipment: equipment costs are included in total construction costs

### Company Incentives:

Amount of Sales tax benefits: \$243,750

Amount of Mortgage Recording Tax: \$101,250

Estimated real property tax exemption with PILOT\* \$926,000 over 15 years

\* based on InformAnalytics algorithms

**Estimated amount of benefit to State & Region\*:**

Anticipated Property Tax revenue:	\$4,653,000
Anticipated Sales Tax revenue	\$381,000
Benefit to Cost Ratio	12:1

*\*figures based on InformAnalytics algorithms*

**Estimated Property Value Increase**

Current Assessed Value	Current Property Tax (2019)	Estimated New Assessed Value	Net Increase	Est. Year 1 Property Taxes Upon Expiration of PILOT
\$202,500	\$7,358	\$9,135,000	\$8,932,500	\$445,703

**Employment Impact**

**Committed total FTE jobs:**   3  

Number of existing FTE jobs to be retained   0  

Total Number of new FTE Jobs to be created   3   over   2   years.

Annualized Salary Range of FTE jobs \$ 35,000 to \$ 60,000

Estimated Hourly Wage Average and Range: \$25/hr, Estimated Range \$19/hr to \$33/hr

Total Number of Construction Jobs to be created  182 

Estimated Employment Impact in Dutchess County

Impact Type	Temporary (Construction) Employment	Permanent (Operations) Impact
Initial	182	3
Direct	11	1
Indirect	3	0
Induced	20	1
Total Effect	216	5

*EMSI Impact Scenario Report 8.26.2020*

**Community Benefits:**

- *Investment:* The project has an estimated project cost of approximately \$18 million.
- *Employment:* The project is committing to the creation of 3 permanent jobs and is projected to create 187 construction jobs.
- Use of Local Contractor(s) and Labor: Yes   X   No
- Use of resource conservation, energy efficiency, green technologies and alternative and renewable energy measures: Yes   X   No

**Project is consistent with Agency’s Mission:** Yes, the project will promote economic development resulting in construction jobs and permanent employment.

**The Project has municipal support and PILOT:**

Municipal Support   X   PILOT   X   Request for UTEP Deviation   X

## CEO Comments of Importance

The Applicant, Reynolds Asset Management, is asking for DC IDA assistance to construct a 55+ age restricted rental community consisting of 84 rental units and 7,100 square feet of commercial space. While the commercial space tenants have not been determined, the applicant has stated they intend to fill them with tenants that would targeted towards the needs of its residents.

The Applicant is requesting sales tax exemptions, a mortgage tax abatement and 15 year deviated PILOT. The PILOT is a bi-furcated formula where the Town property PILOT would follow the DCIDA standard 10 year UTEP but the School District PILOT would be a deviated 15 year PILOT. The project has the support from the Town and School District. The Applicant has stated the project cannot be done without the assistance of the DC IDA.

According to the 2019 Dutchess County Rental Housing Report, vacancy rates remain low at 1.5% which is the lowest it has been since 2000. Housing experts recommend a 5% vacancy rate as in indicator of a healthy rental market. In addition, a report published by Pattern for Progress, *Out of Alignment (2020)*, projects the 55+ age demographic will account for 37% of the population of Dutchess County by 2030. The applicant conducted their own third party research and found many of these age restricted rental properties had waiting lists. A brochure published by the Dutchess County Office of the Aging in July 2019 listed age restricted rental properties and many showed a waiting list as long as 3 years (not including Section 8 senior housing).

### **\*Additional Criteria for Consideration of For-Profit Market-Rate Housing Projects**

- *If the project has received written support from the taxing jurisdictions in which it is located* – Yes, the project has received written support from the Town of Poughkeepsie and the Hyde Park School District
- *If the project is consistent with the applicable municipal master plan* – Yes, the project has been approved by the Town of Poughkeepsie planning and zoning and is consistent with the Town's master plan.
- *If the project advances efforts to create walkable neighborhoods and communities in proximity to important local amenities and services-* The property is located in an area with a mix of residential, industrial and commercial properties. While the project is not located within a walkable town center, the project will have commercial spaces catering to their residents. The project is also in close driving proximity to many local amenities and services such as supermarkets, healthcare and recreational activities.
- *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.* An independent market study aligned with the County housing report confirming there is demand for rental housing, especially among the 65+ age group as this is the one of two age groups projected to grow in Dutchess County over the next five years.

### **Mission Statement:**

The Dutchess County Industrial Development Agency [DCIDA] was created to further economic development in Dutchess County by providing financial assistance to private entities through tax incentives including the issuance of bonds to facilitate the building of capital projects with the resultant construction jobs and permanent follow on employment.