



Evaluation of Projects Requesting IDA Benefits

Project: Fox Run at Fulton, LLC **Location:** Town of Poughkeepsie

Type of Business: Commercial Rental Housing

Agency Request

Sales Tax Mortgage Tax Exemption PILOT

Company Description:

Fox Run at Fulton, LLC is a family owned, privately held real estate management and development company. They are headquartered in Poughkeepsie, NY.

Project Description:

The Applicant is proposing to invest approximately \$17 million to develop the property located at 60 Fulton Street (10 Campus View Court), Poughkeepsie, NY into a new 93,000 sq. foot, five story structure consisting of 69 residential units ranging from 1 bedroom to 2 bedroom with dens.

Project Timeline:

Proposed date for commencement of acquisition or construction: Spring 2021

The actual or expected dates of:

Construction completion: April 2022

Occupancy: April 2022

Total Cost of Project:

Amount Private Investment

Total Project Cost \$ 16,999,750 Private Investment: \$ 16,999,750

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

Construction Costs: \$ 14,800,000 Equipment: Included in construction costs

Company Incentives:

Amount of Sales tax benefits: \$969,719

Amount of Mortgage Recording Tax: \$116,250

Estimated real property tax exemption with PILOT* N/A

* based on InformAnalytics algorithms

Estimated amount of benefit to State & Region*:

Anticipated Property Tax revenue:	\$1,622,000
Anticipated Sales Tax revenue	\$168,000
Benefit to Cost Ratio	10:1

**figures based on InformAnalytics algorithms*

Estimated Property Value Increase^

Current Assessed Value	Current Property Tax (2020)	Estimated New Assessed Value	Net Increase	Est. Year 1 Property Taxes
\$21,870,000	\$1,024,436	\$32,000,000	\$10,130,000	\$1,264,327

^The parcel on which the proposed project is located is in the process of being subdivided. The above figures include the property value of the entire parcel of 10-35 Campus View Court.

Employment Impact

Committed total FTE jobs: 2

Number of existing FTE jobs to be retained 0

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

Annualized Salary Range of FTE jobs \$ 45,000 to \$ 50,000

Estimated Hourly Wage Average and Range: \$26/hr, Estimated Range \$24/hr to \$27/hr

Total Number of Construction Jobs to be created 125

Jobs created in the Construction and Real Estate is estimated to have the following spillover impact.

Impact Type	Temporary (Construction) Employment	Permanent (Operations) Impact
Initial	125	2
Direct	7	1
Indirect	2	0
Induced	15	0
Total Effect	149	3

EMSI Impact Scenario Report 03.4.2021

Community Benefits:

- *Revitalization:* The project is consistent the Town’s requirements and would develop a vacant property in the Town of Poughkeepsie. The project is in close proximity to the Hudson Heritage Development, Marist College and the Poughkeepsie Train Station and Waterfront.
- *Identified Priority:* Property is currently a vacant lot
- *Investment:* The project has an estimated project cost of approximately \$17 million.
- *Employment:* The project is committing to the creation of 2 direct permanent jobs and is projected to create 125 direct 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 has municipal support and PILOT:

Municipal Support X PILOT _____ Request for UTEP Deviation _____

CEO Comments of Importance

The Applicant, Fox Run, LLC, is requesting sales tax exemptions and mortgage tax exemptions to construct a 93,000 square foot five story residential structure that consists of 69 residential units and building amenities including open space, fitness center, a business center and conference rooms. The building is targeted to professionals and potential residents that value remote work, proximity to the train station, the rail trail and walkway and proximity to nearby retail and restaurants. The proposed building site is currently vacant.

The project has support from the Town of Poughkeepsie and is consistent the special permitting and uses and meets the town's intent to develop the site for residential use. The proposed site is adjacent to an existing commercial residential building targeted to college students. They currently share the same parcel but the project site will be split from the shared parcel and be separate and distinct from the existing buildings.

The project is not requesting a PILOT so endorsement from the School District is not required.

The Applicant has stated that the project would not be feasible without the assistance of the IDA. The project was scheduled to begin in 2020 but due to the pandemic, the project was put on hold. Additionally the pandemic impacted the global supply chain resulting in a dramatic increase in the cost of the equipment and building materials. Without the sales tax exemptions, construction costs would be too prohibitive to complete.

Lastly, according to the Dutchess County Planning and Development's latest report, the *2019 Rental Housing Report*, housing vacancy remains at 1.5% despite the largest number of new commercial rental properties under construction and completed during this period. 2018 and 2019 also saw an increase in rental rates contributed to the low vacancy rates in the County. Industry standards consider a 5% vacancy rate a healthy rental market.

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.