



Evaluation of Projects Requesting IDA Benefits

Project: North Cross, LLC **Location:** Town of Hyde Park

Type of Business: Commercial Rental Housing

Agency Request

Sales Tax Mortgage Tax Exemption PILOT

Company Description:

North Cross, LLC was formed in 2003 for the sole purpose of developing the proposed project. North Cross is an affiliate of OneKey, LLC and the O'Neill Group LLC. Both entities have experience developing properties in the tri-state area.

Project Description:

The project, also known as the Jeffrey Groves Estates project is an approved 50-unit townhouse rental community that aims to serve as market rate housing to attract young families in the area. The project will consist of eight clustered townhouse buildings on a currently vacant 25 acre lot in Hyde Park. Open space will be integrated into the project offering residents and the public walking and hiking trails. The applicant has stated if IDA benefits are approved, the developer will be able to provide a discounted rental price for targeted workforce tenants. The applicant states the targeted workforce would include local police officers, firefighters, emergency medical service providers and teachers working in Hyde Park.

Project Timeline:

Proposed date for commencement of acquisition or construction: Spring 2021

The actual or expected dates of:

Construction completion: Fall 2022

Occupancy: Fall/Winter 2022

Total Cost of Project:

Amount Private Investment

Total Project Cost \$ 19,430,272 Private Investment: \$ 19,430,272

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

Construction Costs: \$ 13,030,550 Equipment: \$700,000

Company Incentives:

Amount of Sales tax benefits:	\$982,430
Amount of Mortgage Recording Tax:	\$109,942
Estimated real property tax exemption with PILOT*	N/A

* based on InformAnalytics algorithms

Estimated amount of benefit to State & Region*:

Anticipated Property Tax revenue:	\$1,019,000
Anticipated Sales Tax revenue	\$153,000
Benefit to Cost Ratio	9:1

*figures based on InformAnalytics algorithms based on term of project

Estimated Property Value Increase

Current Assessed Value	Current Property Tax (2020)	Estimated New Assessed Value^	Net Increase	Est. Year 1 Property Taxes
\$108,000	\$4,666	\$6,390,577	\$6,282,577	\$360,428

^Town of Hyde Park uses a 52% equalization rate. Does not include special districts.

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 \$ 45,000 to \$ 75,000

Estimated Hourly Wage Average and Range: \$30/hr, Estimated Range \$24/hr to \$41/hr

Total Number of Construction Jobs to be created 30

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	30	3
Direct	5	1
Indirect	2	0
Induced	10	1
Total Effect	47	5

EMSI Impact Scenario Report 03.4.2021

Community Benefits:

- *Revitalization:* The project is consistent the Town’s requirements and is located in the Town’s neighborhood business district.
- *Identified Priority:* Property is currently a vacant lot
- *Investment:* The project has an estimated project cost of over \$19 million.
- *Community Commitment:* The project will also entail the installation of a sewer plant to support the current project and future growth in the area. If the project is approved for

IDA benefits the Developer is committed to offering a discounted rental rate for targeted workforce populations.

- *Environmental Factors:* The project will incorporate energy efficient fixtures and appliances. The project will also utilized hardi-board plant and energy efficient insulation products. The builder has stated they committed to using additional green building technology when possible.
- *Employment:* The project is committing to the creation of 3 direct permanent jobs and is projected to create 125 direct construction jobs.
- Use of Local Contractor(s) and Labor: Yes No
- Use of resource conservation, energy efficiency, green technologies and alternative and renewable energy measures: Yes No

Project is consistent with Agency's Mission: Yes.

The Project has municipal support and PILOT:

Municipal Support PILOT Request for UTEP Deviation

CEO Comments of Importance

The Applicant, North Cross, LLC, is requesting sales tax exemptions and mortgage tax exemptions to construct a 50 townhouse rental unit community on approximately 25 acres in Hyde Park. The proposed project site is currently vacant land.

The project has support from the Town of Hyde Park and is consistent the special permitting and uses and meets the town's intent to develop the site for residential use.

The project is not requesting a PILOT therefore consent from the School District is not necessary.

The applicant has stated that if IDA benefits are approved, the developer would be able to set aside units with a discounted rate reserved for targeted workforce tenants. The applicant defines targeted workforce tenants as local police officers, firefighters, emergency medical service providers and teachers that work in Hyde Park.

Additionally, an affiliate of North Cross, Jeffery Groves Sewer-Works Corporation, would be building an expandable sewer treatment plant to support the current and future development in the area.

Lastly, according to the Dutchess County Planning and Development's latest report, the *2019 Rental Housing Survey*, Hyde Park has one of the lowest market rate housing vacancies in the County at 0.7%. Dutchess County's market rate 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.