Evaluation of Projects Requesting IDA Benefits

Dutchess County Industrial Development Agency (DCIDA)

Project:	Crofton Mews (Elbow Creek, LLC)	**Location:**	1269 Route 9G, Town of Hyde Park, Dutchess County, NY 12538

Type of Business:	New multifamily residential construction and operation. New Multifamily Housing Construction (NAICS 236116) during the construction phase; residential rental housing operations — Lessors of Residential Buildings (NAICS 531311) — with a neighborhood childcare use (Child Day Care Services, NAICS 624410) in the ~3,150 SF commercial building. A 249-unit rental community developed by Elbow Creek, LLC, an affiliate of The O'Neill Group.

Agency Request

Sales Tax	Yes	**Mortgage Tax Exemption**	Yes	**PILOT**	Yes

Sales tax exemption, mortgage recording tax exemption, and a 10-year PILOT requested. The Applicant elects the DCIDA Uniform Tax Exemption Policy (UTEP); no bond issuance requested.

Project Description

Ground-up new construction of Crofton Mews, a 249-unit multifamily rental community on a currently vacant 55.54-acre site (87.74 acres owned/controlled) at 1269 Route 9G in the Town of Hyde Park. The community comprises 64 low-rise, two-story carriage-style residential buildings (~307,468 SF residential), a clubhouse with recreation and amenity facilities, and a ~3,150 SF commercial building for a neighborhood childcare use. Unit mix: 124 one-bedroom, 64 two-bedroom, and 60 three-bedroom units (248 rentable plus one superintendent unit = 249). The Project delivers substantial public infrastructure at private expense — a centralized on-site wastewater treatment plant, a new bridge replacing a failing culvert over Crum Elbow Creek (offered for dedication to the Town), a 12-inch DCWWA water-main extension and emergency interconnect (also available to serve failing area water systems), and NY-9G roadway-widening improvements — together with permanently preserved open space and protected Blanding's Turtle habitat. Elbow Creek, LLC holds fee title and all major entitlements and permits; the site is fully entitled and shovel-ready.

Project Timeline

Proposed date for commencement of acquisition or construction:	September 2026

The actual or expected dates of:

Construction completion:	September 2029
Occupancy:	September 2028 (targeted start of rolling occupancy)

Total Cost of Project

Total Project Cost:	$82,299,954
Private Investment (equity $20,799,954 + conventional financing $61,500,000 — 100%):	$82,299,954
Other public financial assistance / grants and source:	$0 committed (a CFA / ESD-REDC grant application is contemplated but not yet awarded)
Construction Costs (per NYS Labor Law §224-a; new construction $52,798,704 + infrastructure $10,500,000):	$63,298,704

Benefitted Amount (project cost subject to sales/use tax):	$25,319,482

Company Incentives

Amount of Sales Tax benefits:	$2,057,208
Amount of Mortgage Recording Tax exemption:	$461,250
Estimated real property tax exemption with PILOT (Year 1 abated amount):	$513,856 (Year 1); cumulative over the 10-year term ≈ $2,629,977 per the applicant schedule*

**Applicant's Exhibit B states an estimated $1,027,712 unabated tax bill following construction and a cumulative abatement of approximately $2.6M; DCIDA MRB modeling yields approximately $2,937,551.. The difference should be reconciled before board action.*

Estimated Amount of Benefit to State & Region*

Anticipated PILOT Tax revenue (proposed Year 1 PILOT payment):	$8,243,753 Total PILOT (Estimated $1,252,775 in annual Property Taxes following PILOT Term)
Anticipated Sales Tax revenue:	$1,134,811
Benefit to Cost Ratio:	*19 : 1*

**Figures based on MRB algorithms. Sales-tax-revenue and benefit-to-cost figures are derived from DCIDA's MRB modeling and are not contained in the applicant submission; the benefit-to-cost ratio is carried from DCIDA's MRB run and should be confirmed against the populated CBA workbook.*

Estimated Property Value Increase^

Current Assessed Value^	Current Property Tax+ (2024)	Estimated New Assessed Value^	Net Increase	Est. Year 1 PILOT+
$102,100	$6,562.27	Not disclosed°	See note°	$1,252,775

^Town of Hyde Park final-roll assessed values; figures exclude special districts. °Post-completion assessed value was left blank in the application. PILOT and full-tax figures rest on the applicant's disclosed stabilized pro-forma, under which the full unabated Year-1 tax obligation is $1,027,712 / yr; the Year-1 PILOT payment of $513,856 reflects a 50% abatement. +Est. Year 1 PILOT is the proposed Year-1 payment following the 10-year schedule.

Employment Impact

Committed total FTE jobs:	6 (0 retained + 6 new — new build)
Number of existing FTE jobs to be retained:	0
Total number of new FTE jobs to be created:	6 over 2 years (post-completion): 2 Management ($75,000–$95,000), 2 Administrative ($45,000–$60,000), 2 Other ($35,000–$70,000)
Average annualized salary of FTE jobs:	≈ $63,333
Estimated hourly wage average:	≈ $34.80
Total number of construction jobs to be created:	90–110 (In Application)

Jobs created in construction and operations are estimated to have the following spillover impact:

Impact Type	Temporary (Construction) Employment*	Permanent (Operations) Impact*
Direct	301	74
Indirect	90	34
Total Effect	391	108

Figures based on MRB Cost Benefit Analysis

Community Benefits

- ***Revitalization:*** Redevelopment of a long-vacant site that previously defeated one developer under a 2003 plan; the Applicant reduced density by 68 units and delivers major public infrastructure at private expense.

- ***Identified Growth Area / Recognized Need:*** Addresses documented Dutchess County shortages of modern multifamily rental housing and of licensed childcare capacity; consistent with the Town of Hyde Park Comprehensive Plan and County housing-needs findings.
- ***Investment:*** Approximately $82,299,954 — far exceeds the >$25M financial-commitment metric.
- ***Environmental Factors:*** Resource conservation, energy efficiency, and green technology — NYS energy-code / C-PACE efficiency thresholds, high-efficiency HVAC, LED lighting, ENERGY STAR appliances, and an efficient building envelope; plus a 23.53-acre Resource Protection Area, permanently preserved open space, and protected Blanding's Turtle habitat.
- ***Employment:*** 6 new permanent FTEs and 90–110 construction jobs.
- **Use of Local Contractor(s) and Labor:** Yes — subject to the DCIDA Local Workforce Policy (80% threshold for projects ≥$10M receiving a real property tax abatement). No waiver requested.

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 No

SEQRA complete: the Town of Hyde Park Planning Board acted as Lead Agency; the DCIDA may rely on the completed review. Note: pending litigation — Elbow Creek, LLC v. Dutchess County Water and Wastewater Authority (Index No. 2025-52) — involves the project's water supplier.

CEO Comments of Importance

CEO recommends conditional approval. The project is fully entitled and shovel-ready, delivers 249 units of needed rental housing plus a neighborhood childcare use, and provides substantial public infrastructure at private expense; the "but-for" case is well supported by the going-in coverage analysis. The following items should be resolved as conditions of, or prior to, final approval:

1. Post-completion assessed value was left blank in the application; the PILOT and full-tax figures rest on the applicant's pro-forma and should be confirmed by the Assessor.
2. Reconcile cumulative abatement: applicant ≈ $2.6M vs. DCIDA MRB ≈ $2,985,128.
3. Reconcile the employment figures: 6 committed new FTEs vs. 13 projected local residents to fill new positions.
4. Confirm the status and materiality of pending litigation, Elbow Creek, LLC v. DCWWA (Index No. 2025-52).
5. Treat any CFA / ESD-REDC grant as $0 until awarded; committed public assistance is currently $0.

Board Member Questions / Comments

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Completed by Board Member _____ Date _____ 202__

Print name _____

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.