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PUBLIC HEARING: TOWN OF HYDE PARK

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In the Matter of the Application of:

NRI HYDE PARK, LLC, FOR FINANCIAL ASSISTANCE

FROM THE DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT

AGENCY.

-----X

DATE: November 07, 2024
Hyde Park, New York
9:30 a.m. - 9:36 a.m.
Donna M. Wells, Reporter

VIDEOTAPED MINUTES
OF
PUBLIC HEARING

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APPEARANCES:

DONALD CAPPILLINO, ESQ.
HEARING OFFICER
CAPPILLINO, ROTHSCHILD & EGAN, LLP
7 Broad Street
P.O. Box 390
Pawling, New York 12564
Email: ec@cappillino.com

ALSO PRESENT:

Michael Zarin, Zarin & Steinmetz, LLP
Sarah Lee, Think Dutchess
Roger Connor, Videographer

1 NRI Hyde Park, LLC

2 (Whereupon the following exhibits were marked
3 before the start of the hearing)

4
5 (NOTICE OF PUBLIC HEARING RECEIVED AND MARKED
6 AS HEARING OFFICER'S EXHIBIT 1
7 FOR IDENTIFICATION/IN EVIDENCE)

8
9 (AFFIDAVIT OF PUBLICATION RECEIVED AND MARKED
10 AS HEARING OFFICER'S EXHIBIT 2
11 FOR IDENTIFICATION/IN EVIDENCE)

12
13 (AFFIDAVIT OF SERVICE RECEIVED AND MARKED
14 AS HEARING OFFICER'S EXHIBIT 3
15 FOR IDENTIFICATION/IN EVIDENCE)

16
17 (DESIGNATION LETTER RECEIVED AND MARKED
18 AS HEARING OFFICER'S EXHIBIT 4
19 FOR IDENTIFICATION/IN EVIDENCE)

20
21 HEARING OFFICER CAPPILLINO: Good
22 morning. My name is Donald Cappillino.
23 I'm the Hearing Officer in this matter.

24 Before the hearing began I had
25 marked, in Evidence, as Hearing Officer's

1 NRI Hyde Park, LLC

2 Exhibit Number 1, the notice of public
3 hearing in this matter indicating that
4 this public hearing would be held on
5 November 7, 2024, at 9:30 a.m., at the
6 Hyde Park Town Hall, 4383 Albany Post
7 Road, Hyde Park, New York.

8 I have marked as Hearing Officer's
9 Exhibit Number 2, in Evidence, the
10 affidavit of publication indicating that a
11 true copy of the notice of public hearing
12 in this matter was published in the
13 Poughkeepsie Journal on October 27, 2024.

14 I have marked as Hearing Officer's
15 Exhibit Number 3, in Evidence, the
16 affidavit of service of Jacqueline Hughes
17 who indicated that on October 25, 2024, a
18 true copy of the notice of public hearing
19 was sent by ordinary mail postage to be
20 paid thereon to the following people: The
21 Honorable Alfred Torreggiana, Town
22 Supervisor of the Town of Hyde Park; Dr.
23 Pedro Roman, the Superintendent of Schools
24 of the Hyde Park Central School District;
25 The Honorable Susan F. Serino, Dutchess

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NRI Hyde Park, LLC
County Executive.

I had marked as Hearing Officer's Exhibit Number 4, in Evidence, the October 27, 2024, letter of Timothy Dean, Chairman of the Dutchess County Industrial Development Agency authorizing me to conduct this public hearing.

With that, I will open the public hearing. Does anyone wish to speak?

BY MR. ZARIN: Yes. My name is Michael Zarin. I'm with the law firm of Zarin and Steinmetz, and I am special counsel for NRI Hyde Park, LLC, in connection with this application for financial assistance from the IDA. I'm here to describe very briefly that the nature of the application is an exciting upscale environmentally sustainable destination resort pursuant to a 21.5 acre ground lease we have with the Culinary Institute of America. It will involve approximately a \$254,000,000 investment which will generate approximately 170 jobs per the application. It will also, during

1 NRI Hyde Park, LLC

2 the duration of the 15 year deviated Pilot
3 that we are seeking, also generate
4 \$21,000,000, I believe, in estimated taxes
5 for the various taxing jurisdictions
6 during that period. This will be land
7 that is currently generating no taxes and
8 is tax exempt.

9 The project consists of a number of
10 different resort elements including a
11 culinary experience theme with the CIA,
12 albeit this is developed independently by
13 NRI Hyde Park, LLC. It will have low rise
14 hotel guestrooms, rental villas,
15 restaurants, spa villas, as well as
16 leaseholds, various leasehold villas.

17 The need for the Pilot, for the 15
18 year Pilot, is based upon during the 15
19 years of the Pilot, specifically the first
20 five years, there's the highest, largest
21 financial pressures on the construction
22 loans. These types of projects take 15
23 years to gain sufficient market
24 penetration and the operating costs and
25 revenues ramp up towards stabilization, so

1 NRI Hyde Park, LLC

2 but for this assistance it would make it
3 very difficult to finance this project.
4 There was a similar project in 2011 that
5 was approved that was never built due to
6 financial reasons, so we appreciate the
7 Board's consideration of our application
8 and the support of both yourselves and the
9 Town who we have undergone an extensive
10 environmental review process, and we
11 recently received a final Site Plan
12 approval and hope to start construction
13 shortly.

14 HEARING OFFICER CAPPILLINO: Thank
15 you for your comments, Mr. Zarin.

16 BY MR. ZARIN: Thank you.

17 HEARING OFFICER CAPPILLINO: Does
18 anyone else wish to speak?

19
20 (Whereupon there were no other speakers)

21
22 If no one else wishes to speak I
23 will close this public hearing. Thank you
24 everyone for attending.
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6:23	approval 8:12	connor 2:20	dr 5:22
27 5:13 6:5	approved 8:5	consideration	due 8:5
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From: [Doreen Tiganelli](#)
To: [Sarah Lee](#)
Subject: Public comment on NRI Hyde Park LLC for DCIDA Public Hearing to be held Nov 7 2024, 9:30 am, Hyde Park Town Hall
Date: Wednesday, November 6, 2024 12:17:21 PM

Ms. Lee, please acknowledge receipt of my comments and include them as part of the official public record for the DCIDA Public Hearing for NRI Hyde Park, LLC to be held on November 7, 2024 at 9:30 am at Hyde Park Town Hall, and share these comments with the DCIDA Chair and Board members.

1) I am opposed to the issuance of any "Financial Assistance" to the NRI Hyde Park, LLC project in any form including, but not limited to, Sales and Use Tax Exemption, Mortgage Recording Tax Exemption, Real Property Tax Exemption, Payment in Lieu of Taxes (PILOT).

According to project materials, the sales tax exemption is estimated at \$14,902,613; the mortgage tax exemption is estimated at \$1,009,888; the property tax exemption is estimated at \$7,458,616; estimated total cost of exemptions is \$22,561,117.

2) While not discussed at the October 9, 2024 DCIDA meeting where the board voted to grant Preliminary Approval to the NRI request for Financial Assistance, this hotel project will benefit from financial assistance in the form of a \$2,000,000 grant from the NYS Empire State Development Corporation.

3) At the October 9, 2024 meeting, Mr. Zarin, attorney for NRI Hyde Park, stated that a Community Benefit Agreement had been worked out with the Hyde Park School District that he expected to be approved by the District the following day. The agreement was described as providing for student scholarships and a mentoring career advisement program with the District then supporting the 15-year deviated PILOT.

There was no board discussion of the agreement even though Chairman Timothy Dean previously expressed concern, at length, about a similar agreement between the Hyde Park School District and the Bellefield/T-Rex project at the DCIDA meeting of July 12, 2023. Dean's premise seemed to be that any money associated with PILOT negotiations should not go to the school district alone but that the school, town and county should all benefit from monies paid by the project. Chairman Dean questioned how, if a project says it cannot go forward without Financial Assistance from the DCIDA, it can afford to pay additional funds that were not part of the PILOT agreement entered into with the DCIDA.

4) The applicant claims that the project will not go forward without Financial Assistance from the DCIDA but the website for Nolan Reynolds International shows a picture of the "Hotel at the Culinary Institute of America" and states that the "world-class resort" will be "Coming Soon" in spite of the fact that only Preliminary Approval has been given by the DCIDA. Perhaps the applicant is aware that the DCIDA, at least in the five years that I have been attending its meetings, has never failed to subsequently grant Final Approval to a project. So, while this public hearing is being held to conform to legal requirements, Final Approval is all but guaranteed.

5) Taxpayers should not be footing the bill for exemptions granted to a company described by Mr. Zarin as being a "global expertise real estate hospitality group with \$6 billion of completed projects". The developer will be accepting profits, they should be accepting any potential risk as well.

6) Granting Financial Assistance to this project, with its \$1 to \$2 million privately owned leasehold villas, is a case of providing benefits to wealthy people. While those individuals may not receive the benefit of sales and mortgage tax exemptions, they will benefit from the PILOT via infrastructure, etc.

This was recognized during a discussion of the PILOT at the October 9 meeting, where DCIDA board member Mark Doyle stated "*we are also talking about public benefits occurring to potentially, potentially occurring to, some very very wealthy people*" and he then cited Silo Ridge project in Amenia that is involved in "*an extended, protracted, awful lawsuit against the town for property taxes*".

7) While board members often justify granting of exemptions by touting tax revenues, they always fail to note the tax revenue that would be brought in if the project proceeded with the applicant paying their full share of taxes.

Furthermore, applicants often challenge the assessed value of the property after project completion, asking for a reduction in assessed value. When that happens, projected tax revenues touted by the IDA end up being lower than stated, again leaving the remaining tax base to subsidize the developer's profits.

8) Regarding job creation number, Section 3 B. Additional Community Benefits, shows number of permanent jobs as >180. However, other materials show the lesser job number of 170, including Page 4 of Mr. Zarin's May 24, 2024 letter to the DCIDA. An accurate job number should be provided as the DCIDA is supposed to be monitoring job creation numbers and using clawback/recapture provisions if the projected job number is not met.

9) Project applicants continually seek financial assistance in the form of tax breaks that shift the tax burden to the remaining base. While some DCIDA members dismiss this, it has been supported by statements made by the NYS Comptroller's office in its yearly report on IDAs.

The New York State Comptroller's 'Performance of Industrial Development Agencies In New York State', 2024 Annual Report dated May 2024 states, "**However, the property tax exemptions that they grant to their projects can temporarily reduce the tax base of local governments and school districts for the period of the exemption, which may result in increases to taxpayers' bills.**"

For the above-stated reasons, I oppose the requested request for Financial Assistance.

Doreen Tignanelli
Poughkeepsie NY

From: [Jim Beretta](#)
To: [Sarah Lee](#)
Subject: Public Hearing Comments, NRI Hyde Park LLC
Date: Wednesday, November 6, 2024 11:45:07 AM

Ms. Lee (DCIDA CEO),

Following are my comments for the public hearing on November 7, 2024 for NRI Hyde Park LLC to be held at the Town of Hyde Park Town Hall, 4383 Albany Post Road, Hyde Park, New York 12538.

Please acknowledge receipt of this public hearing input and that it will be added to the record as public hearing comment.

I am **opposed** to the financial assistance being contemplated as listed in the Public Hearing Notice as follows:

"NRI HYDE PARK LLC, a Delaware limited liability company authorized to transact business in the State of New York, having its principal office at 1340 S Dixie Highway, Suite 140, Coral Gables, Florida 33146 (the "Company"), has submitted an application to the Agency requesting the Agency provide certain "financial assistance" (within the meaning of the Act) with respect to the Facility (hereinafter defined), including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes for the following project (the "Project") in connection with the construction, improvement, reconstruction, repair, renovation, installation, furnishing and equipping of certain lodging facilities with associated accessory uses (the "Facility") consisting of the following: "

"The Agency is contemplating providing financial assistance (the "Financial Assistance") to the Company with respect to the Facility by granting a real property tax exemption and providing for payments in lieu of real property taxes. The 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 Facility (except the Leasehold Villa(s)) or used in the construction, improvement, reconstruction, repair, renovation, installation, furnishing and equipping of the Facility (except the Leasehold Villa(s)), and an exemption from all real estate transfer taxes and certain mortgage recording taxes with respect to any qualifying mortgage on the Facility (except the Leasehold Villa(s)) (or such interest in the 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 Project. 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. It was stated by the applicant, at the October 9, 2024 DCIDA meeting, that NRI is a *global real estate and hospitality company*. As an apparently successful global company they should be able to pay their taxes in Hyde Park/Dutchess County and not ride on the backs of the local taxpayers by getting the financial incentives that the DCIDA is contemplating.

2. At the October 9, 2024 DCIDA meeting where the IDA granted preliminary approval for "Financial Assistance" for NRI Hyde Park LLC, project attorney Michael Zarin stated that on the following day the Hyde Park School District was expected to formally approve a *community benefit agreement* that included a number of student scholarships and then the school district was apparently expected to support the deviated PILOT.

No IDA member expressed concern about that agreement, not even Chairman Tim Dean. I specifically cite Chairman Dean as he previously expressed opposition to such side deals. At the July 12, 2023 IDA meeting for Bellefield/T-Rex, Dean exposed that he was not in agreement with the Hyde Park School District leveraging the PILOT negotiations to get \$25,000 a year for a scholarship fund as a side agreement.

Essentially, Dean said that any money received as part of the PILOT negotiations should be part of the PILOT as a whole and apportioned to the vested entities. The school district had cut their own side deal for funds from the Bellefield/T-Rex developer as part of the PILOT negotiations.

Dean also said that the IDA asks if the project can move forward without IDA financial incentives and if the answer is "No", how can they afford to grant additional funds outside of the PILOT? Dean stated that he thought the \$25,000 a year should be in the PILOT and that the school, town and county should benefit from that money.

Back to the NRI project, there was silence from Chairman Dean even though the NRI Hyde Park project is essentially doing the same as Bellefield/T-Rex, saying they cannot move forward without "Financial Assistance" from the IDA but then agreeing to provide additional funds to the Hyde Park School District outside of the PILOT. Why no objection from the Chairman and the board over this? This appears to be a pattern of quid pro quo where the school district gets a financial incentive from the applicant and then the school district gives approval for the applicant's financial assistance from the DCIDA.

3. All of these tax incentives are a transfer of tax burden to the rest of the taxpaying public. The PILOT for this project will be for 15 years and the county taxpayers will subsidize this project for at least that long, in addition to the other tax incentives.

4. There appears to be no limit to the amount of financial assistance provided by the DCIDA and the applicant can come back an unlimited number of times for more financial assistance.

5. If the developers decided to take the risk, and reap the rewards, taxpayers in Dutchess County should not be on the hook for providing financial incentives on a decision and project that is out of the taxpayer's control.

Again, I am opposed to the amended financial assistance being requested. This financial assistance is being put on the backs of the Dutchess County taxpayers. It is

corporate welfare.

Sincerely,

Jim Beretta
Dutchess County Resident & Taxpayer