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PUBLIC HEARING: TOWN OF POUGHKEEPSIE
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In the Matter of the Application of:
MHTC DEVELOPMENT, LLC, FOR FINANCIAL ASSISTANCE FROM
THE DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY.

-----X

DATE: February 03, 2023
Poughkeepsie, New York
9:44 a.m. - 9:46 a.m.

Donna M. Wells, Reporter

VIDEOTAPED RECORDED MINUTES
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

ALSO PRESENT :

Joseph Kirchhoff, MHTC Development, LLC
Rebecca Lysenko
Sara Lee, CEO, Think Dutchess

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HEARING OFFICER'S EXHIBITS

1	Notice of public hearing For identification/In Evidence	4:5
2	Affidavit of publication For Identification/In Evidence	4:9
3	Affidavit of Jenna L. Jones For Identification/In Evidence	4:13
4	Designation letter For Identification/In Evidence	4:17

1 23 Eastdale Avenue, LLC

2 (Whereupon the following exhibits were marked before
3 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 JENNA L. JONES 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)

20
21 THE HEARING OFFICER: Good morning.
22 I open this public hearing in the matter
23 of the application of MHTC Development to
24 the Dutchess County Industrial Development
25 Agency for this particular matter.

1 23 Eastdale Avenue, LLC

2 Before the public hearing I marked
3 as Hearing Officer's Exhibit Number 1, in
4 Evidence, the notice of public hearing
5 indicating that this public hearing would
6 take place today, February 3rd, 2023, at
7 9:30 a.m., at the Dutchess County
8 Industrial Development Agency Offices at
9 Three Neptune Road, large conference room,
10 Poughkeepsie, New York 12601.

11 I have marked as Hearing Officer's
12 Exhibit Number 2, in Evidence, an
13 affidavit of publication from the
14 Poughkeepsie Journal, the affidavit of
15 Linda Tutt indicating that on January 19,
16 2023, a true copy of this notice of public
17 hearing was published in the Poughkeepsie
18 Journal.

19 I have marked as Hearing Officer's
20 Exhibit Number 3, in Evidence, the
21 affidavit of Jenna L. Jones, indicating
22 that on January 19, 2023, a true copy of
23 the notice of public hearing was sent by
24 mail, postage prepaid, upon the Supervisor
25 of the Town of Poughkeepsie, Jon J.

1 23 Eastdale Avenue, LLC
2 Baisley, upon Dr. Dave Moyer,
3 Superintendent of Schools at the Arlington
4 Central School District, and upon the
5 Honorable William F.X. O'Neil, Dutchess
6 County Executive.

7 I have marked as Hearing Officer's
8 Exhibit Number 4, in Evidence, the January
9 19, 2023, letter of Timothy Dean, Chairman
10 of the Dutchess County Industrial
11 Development Agency, designating me as the
12 Hearing Officer in this matter. All four
13 of those exhibits have been marked in
14 Evidence.

15 We have been here since before 9:30,
16 and other than the Applicant no one else
17 is present. It is now 9:44, and seconds
18 away from 9:45 a.m. With no one being
19 here does anyone need to say anything
20 more?

21 BY MR. KIRCHHOFF: No. I think that
22 maybe for the recording we can just say
23 this is an allocation of benefits that was
24 previously conferred to MHTC. It now will
25 be asked by the IDA to consider moving

1 23 Eastdale Avenue, LLC
2 that share of benefits to 23 Eastdale
3 Avenue, LLC. It's a 5,522 square foot
4 mixed use building that will house the
5 refillery store in three apartments
6 upstairs, and it's on the corner at the
7 traffic light directly across from Rossi's
8 Deli.

9 THE HEARING OFFICER: Okay. Anybody
10 else have anything to say, if not then
11 I'll close the public hearing. Thank you
12 very much.

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Sarah Lee

From: Doreen Tignanelli <doreentig@aol.com>
Sent: Thursday, February 02, 2023 1:00 PM
To: Sarah Lee
Subject: Public Comment:DCIDA Hearing MHTC/23 Eastdale, Phase III-G, Feb 23, 2023

Ms. Lee, please acknowledge and include my comments as part of the official public record for the DCIDA Public Hearing for MHTC Development, LLC and 23 Eastdale Avenue, LLC Project scheduled for February 3, 2023 at 9:30 am at the DCIDA office on Neptune Road in the Town of Poughkeepsie and share these comments with the DCIDA Chair and Board members.

1) I am opposed to the issuance of any "Financial Assistance" to the 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).

My opposition includes allocation of any portion of the Mortgage Tax Exemption and Sales Tax Exemption that may have been previously granted to MHTC Development, LLC/23 Eastdale Avenue, LLC. I am opposed to the DCIDA providing Phase III-G Financial Assistance by granting a real property tax exemption and providing for payments in lieu of real property taxes.

2) While the Notice of Public Hearing states Financial Assistance includes "*granting a real property tax exemption and providing for payments in lieu of real property taxes*", the Kirchoff/Lysenco application letter dated January 4, 2023 does not detail real property tax exemption and payments in lieu of real property taxes. The letter only details sales tax exemption estimated at \$29,390 and mortgage recording tax exemption estimated at \$12,869. In the interest of transparency, amounts of all exemptions should be stated.

3) The need for financial assistance for MHTC/32 Eastdale Avenue is questionable. The project is likely to be profitable without assistance due to the low apartment vacancy rate in the County. Even the 2019 Dutchess County Rental Housing Survey prepared by Dutchess County Planning notes that the low vacancy rate for apartment rentals benefits landlords.

According to 2021 MHTC application materials, MHTC is primarily comprised of "*Joseph T. Kirchoff, Christopher Dyson, and Molly Dyson, along with Trusts associated with the Kirchoff family, the Dyson family and the Silver family*". The request for financial assistance could be considered as welfare for the wealthy.

4) According to application materials, this portion of the project is estimated to create and/or maintain only "2 FTE's". It is debatable whether the total number of jobs to be created by the Eastdale project justifies the numerous tax incentives given by the DCIDA.

5) The project applicants continually seek financial assistance in the form of tax breaks that shift the tax burden to the remaining base which may lead to higher tax bills for other property owners while maximizing profits of the developers.

While some DCIDA members appear defensive and dismissive when public comment is given stating that taxpayers subsidize exemptions the DCIDA hands out, the New York State Comptroller's 'Performance of Industrial Development Agencies In New York State', 2022 Annual Report dated June 2022 expresses concern regarding shifting of tax burden as it states "**However, the tax exemptions they grant to their projects can reduce the tax base of local governments and school districts, and may result in increases to other taxpayers' bills.**"

6) The DCIDA often cites increase in property tax revenue as a benefit of granting Financial Assistance with the revenue based on "Current Assessed Value" and "Estimated New Assessed Value". However, this fails to take into consideration the fact that applicants often challenge the assessed value after project completion. When that happens, projected tax revenues end up being lower than stated. It is possible that the Eastdale project will eventually seek a reduction in assessed property value, again leaving the remaining tax base to subsidize the developers' profits.

Doreen A. Tignanelli
29 Colburn Drive
Poughkeepsie NY 12603

Sarah Lee

From: Jim Beretta <jimberetta@aol.com>
Sent: Thursday, February 02, 2023 12:08 PM
To: Sarah Lee
Subject: Public Hearing Comments re MHTC Development, LLC and 23 Eastdale Avenue, LLC,

Ms. Lee (DCIDA CEO),

I wish to submit public comment for the public hearing to be held by the Dutchess County Industrial Development Agency on the 3rd day of February, 2023 at 9:30 a.m., local time, at the Dutchess County Industrial Development Agency, Three Neptune Road, large conference room, Poughkeepsie, Dutchess County, New York 12601, in connection with a project proposed by MHTC Development, LLC and 23 Eastdale Avenue, LLC.

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:

"The Agency is contemplating providing financial assistance (the "Phase III-G Financial Assistance") to the Company with respect to the Phase III-G Facility by granting a real property tax exemption and providing for payments in lieu of real property taxes. The Phase III-G 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 Phase III-G Facility or used in the construction, improvement, reconstruction, repair, renovation, installation, furnishing and equipping of the Phase III-G Facility and an exemption from all real estate transfer taxes and mortgage recording taxes with respect to any qualifying mortgage on the Phase III-G Facility (or such interest in the Phase III-G 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 Phase III-G 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. Such Phase III-G Financial Assistance will be allocated from a portion of the financial assistance which the Agency has granted to the Master Company for the Master Project."

My reasons for opposition are as follows:

1. The requested financial incentives are a transfer of tax burden to the rest of the taxpaying public. Granting of the contemplated financial assistance is corporate welfare.
2. The public hearing is being held at 9:30 a.m. on a weekday (Friday) at the specified physical location of: Dutchess County Industrial Development Agency, Three Neptune Road, large conference room, Poughkeepsie, Dutchess County, New York 12601.

This is an onerous burden on the taxpaying public to be required to be at a physical location on a *weekday morning* when most people have other obligations. The end result is that it is prohibitive for the vast majority of the public to attend. While the option for written comments is available, and I am using that option, the applicant and their paid staff are in the room to talk up their project. Pretty much everybody in the room is on-the-clock, making money, in one way or another, by advancing the project while the public has the burden of taking time away from their responsibilities to participate.

3. The applicants are most often given an unfair advantage in the DCIDA public hearings in that the applicant is, based on my observations, given multiple opportunities to talk: First, at the beginning to provide opening comments and then, second, to rebut, or embellish, any comments made by the public. As it is a public "hearing", and not a debate, each party should get one chance to speak. If the applicant is going to get multiple opportunities to speak, then public participants should get additional chances to speak also.

By the time of the hearing, the applicant has already had time in front of the DCIDA board to talk about their project before preliminary approval. They will then get an opportunity in front of the DCIDA board, again, for final approval. The public hearing is to hear all persons with views in favor of or opposed to the issuance of the financial assistance, not to hear the applicant debate, discredit, or discount public comments.

4. Based on my observation, any project that has been given prior approval by the DCIDA gets a rubber stamped Final Approval. The Public Hearing is just a formality and the completion of an obligation to get to the final approval which usually gets a unanimous vote to approve from the board.

Again, I am opposed to the financial assistance being requested. Everybody should pay their full taxes.

Sincerely,

Jim Beretta
Town Of Poughkeepsie Resident & Taxpayer

Sarah Lee

From: Gerald Carey <geraldmcarey@gmail.com>
Sent: Thursday, February 02, 2023 5:37 PM
To: Doreen Tignanelli; Sarah Lee
Cc: jimberetta@aol.com
Subject: Re: Amazon Illegally Threatened NYC Workers Ahead of Union Votes, Judge Finds

I missed the public hearing yesterday (thought I could attend on-line) but I was unable. In any event, it seems like the DC **Industrial** Development Corp has already determined that Eastdale will get whatever they request despite the low number of jobs created and the fact that the project has nothing to do with **INDUSTRIAL**.

I visited Eastdale development recently and was trying to figure out what the economic benefit is. There are several retail shops and restaurants/fast food facilities that add low paying jobs, and on a weekday afternoon, I estimate 20-25 positions. Most of the retail will be competing with other stores in the Arlington and McDonnell Heights area, and Eastdale will have an unfair advantage with the lower RE taxes paid by the tenants (possibly driving the surrounding mom and pop stores out). The same can be said for the Premier Urology facility, which has an unfair advantage over other office buildings in the area.

The amazing handout is for the residential portion of the development- giving tax breaks to the developer for apartments (matchbox-size studios that rent for \$1,200/mo all the way up to three bdrm units that rent for \$3,350 per month). What stands out is that none of the completed apartment parcels indicate an assessment in excess of \$100,000 per unit. Recent sales of apartment complexes constructed in the last 20 years in Dutchess indicate market values in the range of \$150,000-\$200,000 per apartment unit. Not only is the developer receiving the benefit of the Pilot Program, but the initial assessment is low in relation to the true value. As part of the application - maybe the developer should submit the appraisal prepared for his financing in order to determine what is the true (equitable) assessment. Then the IDA would get a true picture of their handout.

Rumor has it that the CANAM project is about to get a tenant for the facility. I surprised it hasn't been announced, possibly the tenant is going to hire many employees.

I am also surprised that the proposed Ashley Furniture warehouse to be built in IPARK hasn't submitted an application to IDA- after all, they opened the door and surely, they will be hesitant close it now.

On Wed, Feb 1, 2023 at 11:10 AM Doreen Tignanelli <doreentig@aol.com> wrote:

<https://money.usnews.com/investing/news/articles/2023-01-31/amazon-illegally-threatened-nyc-workers-ahead-of-union-votes-judge-finds>

Amazon Illegally Threatened NYC Workers Ahead of Union Votes, Judge Finds

By Reuters

Jan. 31, 2023, at 1:44 p.m.