

2021 Project Performance Report

DCIDA

The Annual Project Performance Report provides key performance information that assesses the progress of the active projects of the Dutchess County Industrial Development Agency (DCIDA) including the creation and retention of jobs stated in the Project Agreements.

As a result of the Agency's compliance measures, it was determined 45 Eastdale Avenue, LLC had exceeded their maximum company sales and use tax savings amount in 2021. The DCIDA billed and re-captured payment and interest from the project operator and submitted the payment to NYS Tax and Finance. At this time no projects qualify for recapture of PILOT and mortgage benefits under the Agency's recapture policies and there is no outstanding recapture events for sales and use tax benefits.

Executive Summary

The Dutchess County Industrial Development Agency (DCIDA) was created by the New York State Legislature in 1977 to administer tax incentives to promote industrial development, to attract additional industry and to encourage and develop commerce and industry to create additional employment and prevent economic deterioration. The incentives approved by DCIDA helps businesses retain and create jobs, remain competitive, and invest more private money into Dutchess County.

In 2021, the IDA had 44 active projects by 27 unique project operators. These projects accounted for 11,513 FTE jobs, 969 construction jobs and \$13,015,758 in PILOT payments for Dutchess County.

Businesses and economic development projects across the United States were still recovering from the economic impact of the COVID pandemic and DCIDA projects were no exception; while better than 2020 many DCIDA projects continued to report reductions in staff and increased project costs.

In 2021, DCIDA executed agreements granting approximately \$39.5 million in incentives generating over \$375 million in private investment. In addition, the estimated ripple effect economic benefit to Dutchess County is anticipated to be approximately \$77,268,000 million¹. Furthermore, these projects committed to create 833 new FTE jobs and retain 1,459 FTE jobs in Dutchess County.

¹¹ Based on Direct, Indirect and Induced Community Benefit over the life of the IDA agreements.

PILOTs that started in 2021

Two phases of the MHTC/Eastdale Village began their PILOT payments with the school PILOT in the fall of 2021, Eastdale Avenue North and Eastdale Residences II. Prior to the IDA's involvement Eastdale North was assessed at \$174,500. After construction the parcel was assessed at \$425,500. Eastdale Residences II was assessed at \$702,300 prior to construction and after construction is now assessed at \$8,183,000.

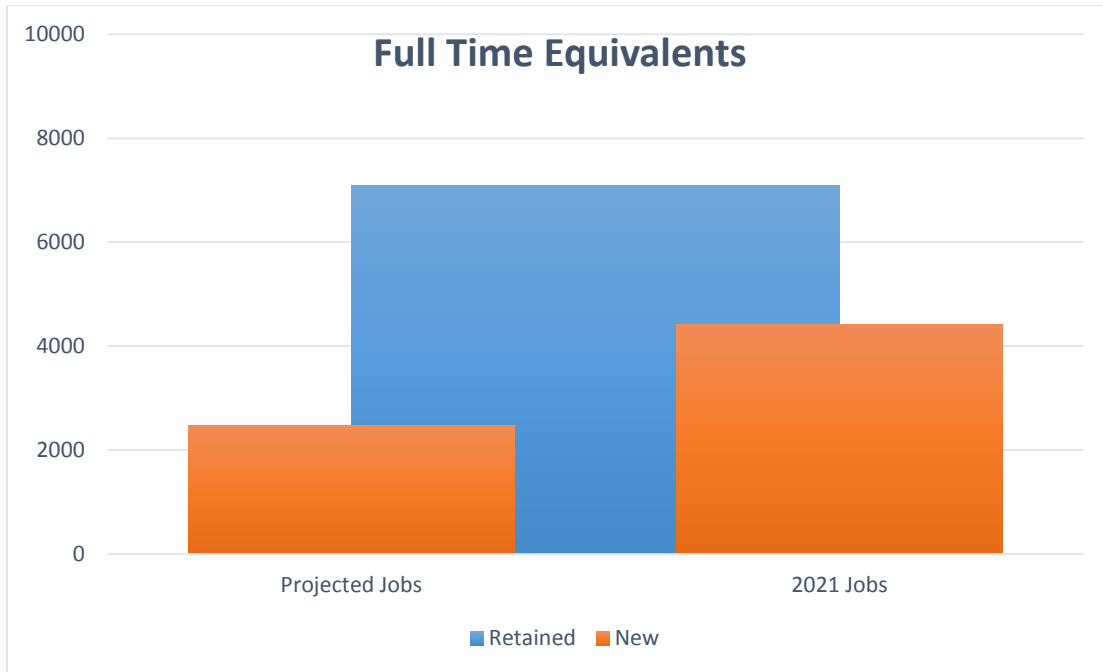
PILOT Revenue

Nineteen IDA projects had active PILOT agreements generating \$13,015,758 in PILOT payments to local governments, school districts and County government. Prior to IDA status these properties paid a total of \$5,842,801 in tax payments prior to IDA status. PILOT payments in 2021 represented a 123% increase in the property revenue from pre IDA status. This figure is expected to continue to increase as PILOT formula discounts are reduced and as new projects complete construction and start their PILOTs.

In addition to the PILOT payments, project also paid ad valorem and special district taxes at full assessed value. Projects that have not started their PILOT continue to pay the equivalent of their assessed value and are not included in the PILOT payment figure above. All IDA projects also generated both direct and indirect sales tax revenue for the County.

Total Jobs Created

IDA projects reported a total of 11,513 FTE jobs, a 62% increase from before IDA status. All DCIDA projects committed to either retaining jobs, creating new jobs or both. Prior to IDA status these projects represented a total of 7,098 FTE jobs. In addition to retaining existing jobs, these projects committed to create an additional 2,476 new FTE jobs in Dutchess County at the time of application. In 2021 these projects created 4,415 new FTE jobs over projections, indicating that many of these businesses continue to grow and invest in Dutchess County.



Employment Goals

While a few projects continued to report lower employment numbers than in previous year, a majority of active DCIDA projects continue to meet or exceeded their employment goals. These projects have demonstrated their ability to thrive and grow within our community while making all PILOT and/or bond payments in a timely manner and provide the agency with all of their compliance reporting.

At this time no projects qualify for PILOT or mortgage tax recapture under the Agency's recapture policies.

The following chart details the projects that have met or exceeded their employment expectations. The Agency considers projects that meet or exceed 90% of their employment goals to be in compliance.

Projects Meeting Employment Goals

Project #	Project Name	Job Fulfillment %	Project Approval Year	Application Estimate of FTE to be retained & created*	2021 Reported FTE	Project End Date P=Pilot B=Bond
13021002	Adams Fairacre Farm	116%	2010	155	181	2021(P)
13020704A	Bard College	121%	2007	724	881	2046 (B)
13021601	Cricket Valley	103%%	2016	26	27	2042(P)
13020709A	Davies South Terrace	100%	2007	3	3	2038 (P) 2049 (B)
13021406/ 13021701	GPSDC (Gap)	130%	2014	1,128*	1,474	2035 (P)
13021201	Health Quest / VBMC (condo 45 Reade)	125%	2012	1,729	2,156	2023 (P)
13021502	Jaleli / HV lighting	178%	2015	56	99	2027(P)
13020801	Marist College	119%	2008	825	984	2038 (B)
13021303	Neptune	392%	2013	25	98	2035 (P)
13021401	Parker Hamilton	366%	2014	29	117	2025 (P)
130221021	Vassar Hospital	152%	2005	1,419	2,156	2034 (B)

2021 Underperforming Projects

The projects that have not met their employment goals in 2021 are listed below.

Project #	Project Name	Job Fulfillment %	Project Approval Year	Application Estimate of FTE to be retained & created	2021 Reported FTE	# Difference	Project End Date P=Pilot B=Bond
13020706A	Arbor Ridge at Brookmeade	71%	2007	24	17	(7)	2034 (P) 2037 (B)
13021304	Bonura Dibrizzi	33%	2013	129	39	(105)	2043 (P)
13201501	Built Parcel 3 & 4	68%	2015	60	41	(19)	2031(P)
130220113	IBM	82%	2013	3,561	2,923	(638)	2026(P)

The above projected have all stated that the effects of the pandemic significantly impacted the staffing levels at their organization however, despite not reaching their employment goals, these projects have contributed to the economic growth to the county in the following ways:

- Arbor Ridge at Brookemeade is a community anchor in Rhinebeck, NY not only providing programs and services related to adult care but it has become a community center for the local community to gather. However pandemic restrictions limited their ability to reach their staffing goals. In particular, their Adult Day Care Center was not able to open until 2022 and changing worker expectations coupled with the suspension of in person certified nursing programs in 2020 resulted in unfilled employment positions. This project is not subject to the Performance Measurement Policy².
- Bonura Di Brizzi – The Poughkeepsie Grand Hotel is an anchor business for the City of Poughkeepsie hosting a number of events that contribute to the economic activity in the area. In 2020 they were unable to operate as large social gatherings were prohibited during the pandemic resulting in their employment levels dipping to 19%. In 2021, they began slowly ramping up their operations however, the number of booked events and attendance remained low limiting their employment levels to 33% of their original employment goals. This project is not subject to the Performance Measurement Policy.
- Built Parcel 3 & 4 is a mixed used project in the Town of Poughkeepsie. The PILOT has begun and the majority of the project is completed, however, Built Parcel 3 has not constructed the last commercial element of the project which has limited their ability to achieve their job goals. The applicant has stated they are still committed to completing the project and in 2021 received approval to complete Phase III of the project. In the meantime, the project has created additional revenue to the taxing jurisdictions, new jobs from before IDA status and created new economic activity at the site. This project is not subject to the Performance Measurement Policy.
- IBM has historically met their employment goals however in 2020 they dropped below the 90% threshold to 89% and in 2021 this further decreased to 82%. Due to a combination of SEC regulations and restrictions regarding the release of competitive information, no reason was provided for the decrease in employment figures. However IBM remains one of the County's larger employers and a priority industry. Staff will continue to monitor employment levels for this project. This project is not subject to the Performance Measurement Policy.

² The Agency's Performance Measurement Policy was adopted on July 21, 2015. Projects approved prior to this date are not subject to the Performance Measurement Policy.

Projects Under Construction

Construction jobs, though temporary, are vital to the overall employment opportunities in Dutchess County. In 2021, DCIDA projects created a total of 969 construction jobs.

Projects Under Construction

Project #	Project Name	Job Fulfillment %	Project Approval Year	Application Estimate of FTE to be retained & created*	2021 Reported FTE	2021 Construction Jobs	Estimated Project End Date P=Pilot B=Bond
13022001	23-28 Creek Drive	13%	2021	87	11	60	2032 (P)
13021805	165 Overlook Road, LLC	100%	2018	4	4	20	2037 (P)
13022102	AP Packaging	0	2021	105	0	50	2039(P)
13021807	Asahishuzo	0%	2018	7	0	138	2031 (P)
13021901	EFG / Hudson Heritage	46%	2021	309	141	87	2025
13022101	Fox Run	0	2021	2	0	3	2024
13021803	Hatfield Metal	92%	2018	64	59	X	2034(P)
13021602	MHTC (Eastdale)	162%	2018	63	102	82	2048 (P)
13022103	North Cross	0%	2021	3	0	6	2025
13022104	Rolling Frito-Lay	0%	2021	80	0	0	2041(P)
13021804	T-REX (Inn at Bellefield)	0%	2018	30	0	1	2030 (P)
13022004	USEF / Tioranda	0%	2020	500	0	497	2040(P)
13022003	Violet Estates	0%	2020	3	0	26	2039(P)

*to be achieved two years after project completion

X= due to reporting discrepancies an accurate account of 2021 construction figures could not be provided. Project is not subject to the Local Workforce requirement.

Bold = Projects subject to Agency's Local Workforce Policy

Sales Tax Benefits

In 2021, thirteen projects were eligible for Sales Tax benefits. Based on the year-end sales tax reporting it was determined that 45 Eastdale Avenue, LLC had exceeded their maximum company sales and use tax savings amount by \$4,902.70. The DCIDA billed and re-captured payment and interest from the project operator and submitted a payment of \$5,279.05 to NYS Tax and Finance. No other re-capture event was discovered.

Local Workforce Compliance

One project, 165 Overlook completed construction in 2021 with a local workforce compliance level of 93%.

2021 Projects

In 2021, seven new DCIDA projects were executed and eight project amendments were approved.

- **Hatfield Metal Fab, Inc.**, will expand its current facility by 30,000 square feet to house a welding and machining area to enable Hatfield Metals to take on larger projects and to remain competitive. The project will invest \$4.2 million and retain 52 FTE jobs and create 12 new FTE jobs.
- **USEF Tioranda, LLC / Amazon** will invest \$135,500,000 to develop a warehouse and distribution facility of approximately 629,186 square feet and parking for passenger vehicles and trucks, storm water management, landscaping, site lighting, and other utility infrastructure. The tenant will be Amazon.com Services LLC. The project will create 500 new FTE jobs and 200 construction jobs.
- **Violet Estates** will invest \$18,000,000 to construct a multi-family community consisting of six building housing a total of 84 residential units and 7,100 square feet of commercial units. The residential community will be age restricted to those aged 55 and over. The project is anticipated to create 3 permanent FTE jobs and 182 construction jobs.
- **Fox Run at Fulton 3, LLC** will invest \$16,999,750 to re-develop 10 Campus View Court to construct a commercial residential building consisting of approximately 93,000 sq. feet and 69 residential units. The project will create 2 new FTE jobs and approximately 125 construction jobs.
- **Poughkeepsie Industrial Park, LLC and Air Protection Packaging Corp.** will redevelop an existing building to accommodate the Company's manufacturing operations and corporate offices. The project will invest \$12 million and create 105 new FTE jobs.
- **North Cross LLC** will invest approximately \$19.4 million to construct a 50-unit townhouse rental community. Open space will be integrated into the project offering residents and the public walking and hiking trails. The project will create 3 new FTE jobs and 30 construction jobs.

- **Frito-Lay Sales, LP** plans to invest \$100,000,000 for the construction and-re-development at 10-350 North Drive to construct a new warehouse/distribution center of approximately 158,000 sq. feet. The project will create 80 FTEs and 80 construction jobs.
- **GAP** will invest over \$69 million in new equipment to modernize and replace existing equipment with automated handling machines. The project will create 76 new FTEs jobs.
- **T-Rex Shaner Hotel** – an amendment to provide an additional sales Tax Exemption of approximately \$432,899 and additional mortgage recording tax exemption of \$77,250. The project will create 105 new FTE jobs.
- **Eastdale** - One amendment to amend the project scope and approve additional benefits and four amendments to re-allocate previously approved benefits for the MHTC/Eastdale project were executed resulting in the construction of commercial and residential spaces to house the following tenants and create 15 FTEs
 - Amended Scope
 - Eastdale Residential III
 - Tomo Asian Fusion
 - Chakra Bowls
 - Sims & Associates Podiatry

Projects ended in 2021

In 2021, the following projects ended.

- **Adams Fairacre Farm Project** agreements ended on December 31, 2021 and returned to the tax rolls. Prior to IDA status the project parcel was assessed at \$2,500,000 and paid approximately \$43,000 in annual property taxes. During the last year of the PILOT the property was assessed at \$7,280,00 and in 2021 paid \$214,016.70 in PILOT payments. Over the term of the agreement, the PILOT revenue from the project was over \$1,000,000 more than if the project had not occurred and remained assessed at \$2.5 million.
- **Bard College 2007A** bond was refunded using funds from the Bard 2020 LDC Bond issuance.
- **Vassar Brothers Medical Center 2005** was refunded using funds from the Nuvance 2019B LDC Bond Issuance.

About This Report

The *Performance Report* provides an overview of DC IDA's active projects to assess the IDA's review over the financial resources entrusted to them. The report shows which active projects have met or underperformed the employment goals and outlines some of the activities these companies are doing to add to our economy and community.

The report uses the employment number stated in the application and project agreement, which serves as the employment goal for enhancing economic growth through job creation and retention.

The figures are considered complete and reliable, as confirmed by the Agency's audited financial statements.

We will continue to monitor these projects and have a "warning" system in place so that the board is aware of the projects that have not fulfilled their original application agreement and what the company is doing to fulfill this.