

2022 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.

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 2022, the IDA had 50 active projects by 28 unique project operators. These projects accounted for 8,814 FTE jobs, 697 construction jobs and \$13,311,020 in PILOT payments for Dutchess County.

In 2022, DCIDA executed agreements granting approximately \$18.1 million in incentives generating over \$99.4 million in private investment. In addition, the estimated ripple effect economic benefit to Dutchess County is anticipated to be approximately \$77,268,000 million¹¹. Furthermore, these projects committed to create 833 new FTE jobs and retain 1,459 FTE jobs in Dutchess County.

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 \$5,279.05 in payments and interest from the project operator and submitted the payment to NYS Tax and Finance. At this time no other 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.

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

PILOTs that started in 2022

165 Overlook and five phases of the MHTC/Eastdale Village began their PILOT payments with the school PILOT in the fall of 2022. Prior to the IDA's involvement 165 Overlook assessed value was \$1,152,000, after construction the assessed value increased to \$20,225,700. Prior to construction the five Eastdale phases were collectively assessed at \$435,908. After construction the parcels are now assessed at \$3,945,800.

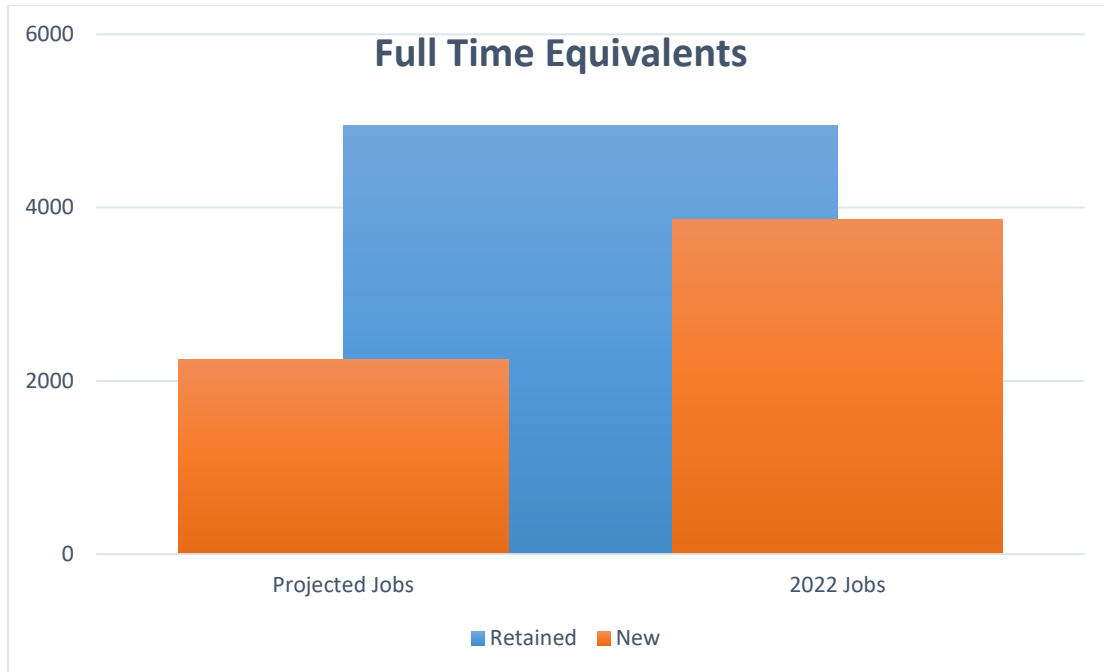
PILOT Revenue

Twenty-one IDA projects had active PILOT agreements generating \$13,311,020 in PILOT payments to local governments, school districts and County government. Prior to IDA status these properties paid a total of \$5,846,420 in tax payments prior to IDA status. PILOT payments in 2022 represented a 127% 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 8,814 FTE jobs, a 178% 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 4,949 FTE jobs. In addition to retaining the existing jobs, these projects committed to create an additional 2,244 new FTE jobs in Dutchess County at the time of application. In 2022 these projects created 3,865 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 are still trying to recover from the workforce impacts during the pandemic 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*	2022 Reported FTE	Project End Date P=Pilot B=Bond
13021805	165 Overlook Road, LLC	100%	2018	4	4	2037(P)
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)	146%	2014	1,128*	1,646	2035 (P)
13021201	Health Quest / VBMC (condo 45 Reade)	130%	2012	1,729	2258	2023 (P)
13021502	Jaleli / HV lighting	195%	2015	56	109	2027(P)
13020801	Marist College	116%	2008	825	960	2038 (B)
13021303	Neptune	288%	2013	25	72	2035 (P)
13021401	Parker Hamilton	434%	2014	32	139	2025 (P)
130221021	Vassar Hospital	152%	2005	1,419	2,156	2034 (B)
13021304	Vision Hotel	126%	2013	30	38	2043 (P)

2022 Underperforming Projects

The projects that have not met their employment goals in 2022 are listed below.

Project #	Project Name	Job Fulfillment %	Project Approval Year	Application Estimate of FTE to be retained & created	2022 Reported FTE	# Difference	Project End Date P=Pilot B=Bond
13020706A	Arbor Ridge at Brookmeade	71%	2007	24	17	(7)	2034 (P) 2037 (B)
13201501	Built Parcel 3 & 4	72%	2015	60	43	(17)	2031(P)
130220113	IBM	81%	2013	3,561	2,867	(694)	2026(P)

The above projected have stated different reasons ranging from the effects of the pandemic to still need to complete the project, 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 staffing impacted by reasons impacted by the pandemic such as employee shortages and turnover 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.
- 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 (Built Project 6) 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 (Built Parcel 6) 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 2021 they dropped below the 90% threshold to 82% and in 2022 employee level stayed relatively steady at 81%. 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.

Projects Under Construction

Construction jobs, though temporary, are vital to the overall employment opportunities in Dutchess County. In 2022, DCIDA projects created a total of construction jobs.

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

Project #	Project Name	Job Fulfillment %	Project Executed Year	Application Estimate of FTE to be retained & created*	2022 Reported FTE	2022 Construction Jobs	Estimated Project End Date P=Pilot B=Bond
13022001	23-28 Creek Drive	26%	2021	87	23	0	2032 (P)
13022102	AP Packaging	106%	2021	105	111	48	2039(P)
13022002	Arthur May Redev	0%	2022	12	0	31	2046(P)
13021807	Asahishuzo	0%	2018	7	0	60	2031 (P)
13021901	EFG / Hudson Heritage	65%	2021	309	200	46	2025
13022101	Fox Run	0%	2021	2	0	155	2024
13021803	Hatfield Metal	98%	2018	64	63	14	2034(P)
13021602	MHTC (Eastdale)	350%	2018	63	74	221	2048 (P)
13022103	North Cross	100%	2021	3	3	28	2025
13022104	Rolling Frito-Lay	0%	2021	80	0	9	2041(P)
13022201	One Dutchess I	125%	2022	4	5	27	2025
13021804	T-REX (Inn at Bellefield)	0%	2018	30	0	36	2030 (P)
13022004	USEF / Tioranda	0%	2020	500	0	148	2040(P)
13022003	Violet Estates	67%	2020	3	2	21	2039(P)

*to be achieved two years after project completion

Bold = Projects subject to Agency's Local Workforce Policy

Sales Tax Benefits

In 2022, 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

Projects with PILOTS with project costs over \$10 million are subject to the Agency's Local Workforce Compliance Policy. As per the policy, at least 80% of the construction work hours must be completed by workers living within the local workforce work shed as defined in the policy.

In 2022, two projects completed construction:

1. AP Packaging project completed the project at 100% local workforce compliance.
2. Violet Estates completed the project at 93% compliance with one waiver.

2022 Projects

In 2022, two new DCIDA projects were executed and six project amendments were approved.

- **One Dutchess Phase 3, LLC** will invest approximately \$29,711,536 to construct commercial and residential buildings consisting of approximately 4,000 sq. feet of commercial space and 84 residential units. The project is projected to create 4 new FTE jobs and approximately 30 construction jobs.
- **Arthur May Redevelopment, LLC** will invest approximately \$70,000,000 to construct a mixed use / multi-family community consisting of 187 new residential units, and 18,000 square feet of commercial space along Raymond Avenue in the Town of Poughkeepsie. The project is anticipated to create 12 permanent FTE jobs and 140 construction jobs.
- **Eastdale** - Six amendments to amend 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 33 FTEs
 - Skye Studio
 - Julie Aesthetics
 - Lily Marigold Nail Spa
 - Apartments
 - Urgent Care
 - Dog Care

Projects Ended in 2022

In 2022, the **GAP Sales Tax** project ended– this agreement was for the additional sales tax to complete the construction and replace the equipment damaged and destroyed by a fire event in 2018. The project was approved for \$5,571,719 in sales tax exemptions. The project used \$3,497,608 in sales tax exemptions.

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.