

2023 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.

At this time no projects qualify for recapture under the Agency's recapture policies.

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 2023, the IDA had 53 active projects by 28 unique project operators. These projects accounted for 12,130 FTE jobs, 526 construction jobs and approximately \$14,131,157 in PILOT payments for Dutchess County.

In addition, DCIDA executed agreements granting up to \$133¹ million in incentives generating over \$541 million in private investment. In addition, the estimated ripple effect economic benefit to Dutchess County is anticipated to be approximately \$478 million². Furthermore, these projects are committed to create at least 254 new FTE jobs and retain 5 FTE jobs in Dutchess County.

¹ Includes previously approved benefits that were re-allocated and estimated PILOT savings

²² Based on Direct, Indirect and Induced Community Benefit over the life of the IDA agreements.

PILOTS that started in 2023

Eleven projects began their PILOT payments with the School PILOT in the fall of 2023.

Seven phases of the MHTC/Eastdale Village:

- Eastdale Residences III
- 3 Eastdale Ave LLC
- 5 Eastdale Ave LLC
- 27 Eastdale Avenue LLC
- 34 Eastdale Ave LLC
- 36 Eastdale LLC
- 38 Eastdale Ave LLC

Prior to the IDA's involvement collectively these parcels were assessed at \$1,330,181. After construction the parcels total assessed value was \$25,939,100.

Four additional projects started their PILOTS.

23-28 Creek Drive

Prior to the IDA's involvement, the City of Beacon owned the property now known as 23-28 Creek Drive. At the time of purchase, the property was given an initial assessment of \$375,000. After construction completion, the property is now assessed at \$3,919,000, paying the first School PILOT payment of \$36,132.73 compared to \$0 pre-IDA status. The project has also exceeded its employment goal of 87 FTEs with 94 FTE jobs reported in 2023.

Poughkeepsie Industrial Park / AP Packaging

Prior to the IDA's involvement, Poughkeepsie Industrial Park / AP Packaging property was assessed at \$5,500,000. After the improvements were completed, the property is now assessed at \$9,281,500, paying the first School PILOT payment of \$149,992.18 compared to \$40,079 pre-IDA status. The project has also exceeded its employment goal of 105 FTEs with 123 FTE jobs reported in 2023.

USEF/Amazon

Prior to the IDA's involvement, USEF/Amazon property was assessed at \$5,218,500. After the improvements were completed, the property is now assessed at \$57,434,400, paying the first School PILOT payment of \$213,135.07 compared to \$37,967 pre-IDA status. The project has also exceeded its employment goal of 500 FTEs with 3,012 FTE jobs reported in 2023.

Violet Estates

Prior to the IDA's involvement, Violet Estates property was assessed at \$5,500,000. After the improvements were completed, the property is now assessed at \$11,000,000, paying the first School PILOT payment of \$28,224 compared to \$4,655 pre-IDA status.

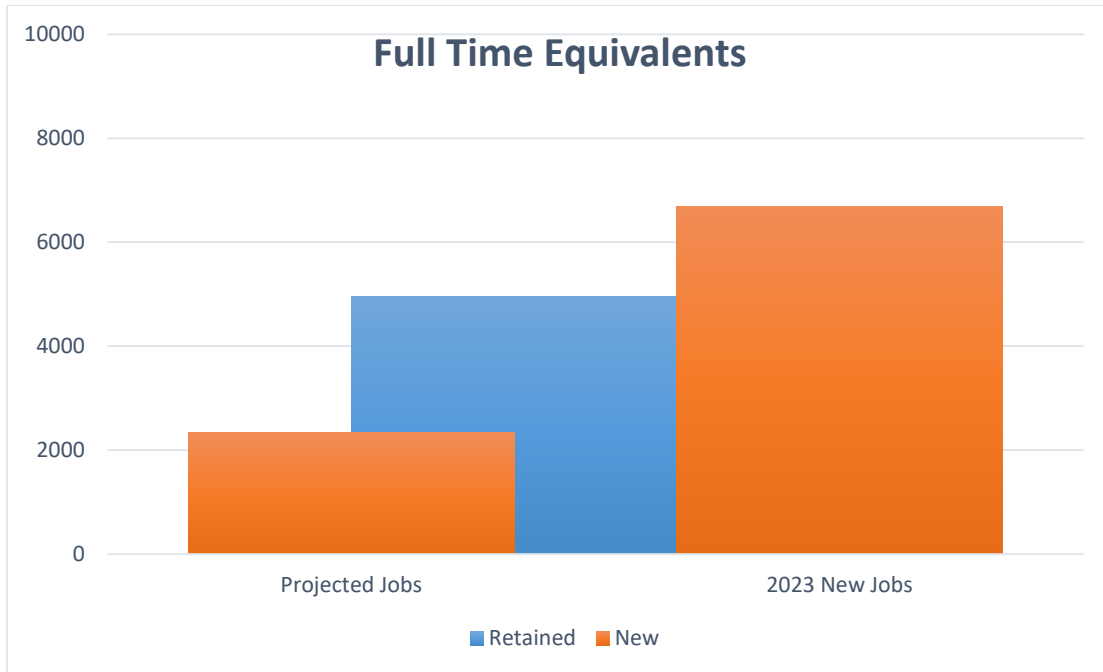
PILOT Revenue

The DCIDA has thirty-six active PILOT agreements generating \$14,131,157 in PILOT payments to local governments, school districts and County government. Prior to IDA status these properties paid a total of \$5,748,744 in tax payments prior to IDA status. PILOT payments in 2023 represented a 145% 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 12,130 FTE jobs, a 144% 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 4,958 FTE jobs. In addition to retaining existing jobs, these projects committed to create an additional 2,537 new FTE jobs in Dutchess County at the time of application. In 2023 these projects created 4,635 new FTE jobs over projections, indicating that many of these businesses continue to grow and invest in Dutchess County.



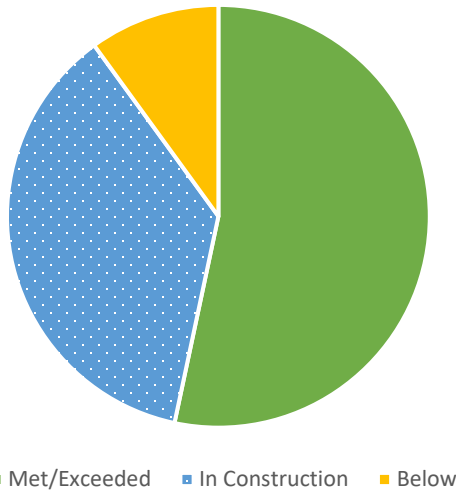
Employment Goals

A majority of active DCIDA projects continue to meet or surpass 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



Out of the active projects* 53% (16) met or exceeded their employment goals, 10% (3) have fallen behind in their employment expectations and 36% (11) are still in construction.

Multi-phase projects are counted as one project

Projects Meeting Employment Goals

Project #	Project Name	Job Fulfillment %	Project Approval Year	Application Estimate of FTE to be retained & created*	2023 Reported FTE	Project End Date P=Pilot B=Bond
13021805	165 Overlook Road, LLC	125%	2018	4	5	2037
13022001	23-28 Creek Drive	108%	2021	87	94	2032(P)
13022102	AP Packaging	117%	2021	105	123	2039 (P)
13021807	Asahishuzo	357%	2018	7	25	2031 (P)
13021601	Cricket Valley	100%	2016	26	26	2042(P)
13020709A	Davies South Terrace	100%	2007	3	3	2038 (P) 2049 (B)
13022101	Fox Run	400%	2021	2	8	2024
13021406/ 13021701	GPSDC (Gap)	324%	2014	428	1,387	2035 (P)
13021201	Health Quest / VBMC (condo 45 Reade)	134%	2012	1,729	2,316	2023 (P)
13021502	Jaleli / HV lighting	189%	2015	56	106	2027(P)
13020801	Marist College	137%	2008	825	1,127	2038 (B)
13021303	Neptune	556%	2013	25	139	2035 (P)
13021401	Parker Hamilton	534%	2014	29	155	2025 (P)
13021304A	Vision Hotel	103%	2014	30	31	2043 (P)
13022003	Violet Estates*	66%	2020	3	2	2039 (P)

*Project has 2 years to meet employment goals

2023 Underperforming Projects

The projects that have not met their employment goals in 2023 are listed below.

Project #	Project Name	Job Fulfillment %	Project Approval Year	Application Estimate of FTE to be retained & created	2023 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	68%	2015	60	40	(19)	2031(P)
130220113	IBM	78%	2013	3,561	2,791	(770)	2026(P)

Despite not reaching their employment goals, these projects have contributed to the economic growth to the county in the following ways:

- Arbor Ridge at Brookmeade 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, consistent with industry trends they are still continuing to have workforce recruitment challenges after the pandemic. This project is not subject to the Performance Measurement Policy³.
- 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 6, a subphase of Built Parcel 3, was still under construction in 2023 which limited their ability to achieve their job goals. In the meantime, the project has created additional revenue to the taxing jurisdictions, created new jobs from before IDA status and contributing to 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 2023 this further decreased to 78%. 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.

³ 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 2023, DCIDA projects created a total of 526 construction jobs.

Projects Under Construction

Project #	Project Name	Job Fulfillment %	Project Approval Year	Application Estimate of FTE to be retained & created*	2023 Reported FTE	2023 Construction Jobs	Estimated Project End Date P=Pilot B=Bond
13022002	Arthur May	0%	2020	12	0	22	2046(P)
13022203	CANAM	0%	2022	100	0	99	2042(P)
13021901	EFG / Hudson Heritage	104%	2021	309	320	98	2025
13021803	Hatfield Metal	95%	2018	64	61	24	2034(P)
13021602	MHTC (Eastdale)	471%	2018	63	297	35	2048 (P)
13022201	One Dutchess	125%	2022	4	5	48	2027
13022103	North Cross	0%	2021	3	5	20	2025
13022104	Rolling Frito-Lay	0%	2021	80	0	64	2041(P)
13021804	T-REX (Inn at Bellefield)	77%	2018	30	23	76	2030 (P)
13022304	T-REX Phase 2	0%	2023	154	0	0	2047 (P)
13022301	Tompkins Terrace	180%	2023	5	9	10	2024

*to be achieved two years after project completion

Bold = Projects subject to Agency's Local Workforce Policy

Sales Tax Benefits

In 2023, eleven IDA projects received Sales Tax benefits. None of these projects went over their approved amounts as stated in their project agreements. No recapture is necessary at this time.

Local Workforce Compliance

Two projects completed construction in 2023.

- USEF/Amazon completed construction at 84% compliance with 8 waivers filed.
- Asahishuzo completed the project at 100% local workforce compliance with no waivers filed.

No recapture is necessary at this time.

2023 Projects

In 2023, three new DCIDA projects and three project amendments were executed.

- CANAM Hudson Valley Logistics Owner, LLC was approved for an approximately \$79,500,000 project for construction of a warehouse and distribution facility of approximately 530,000 square feet and parking for passenger vehicles and trucks, storm water management, landscaping, site lighting, and other utility structures.
 - Create - 100 new FTE jobs and approximately 125 construction jobs
 - Incentive - Sales Tax Exemption, Mortgage Tax Exemption and a PILOT
- Tompkins Terrace was approved for tax exemptions for an approximately \$45,270,313 project for renovation and modernization of an existing 193-unit rental subsidized housing development in Beacon.
 - Retain – 5 Permanent FTE jobs
 - Create – 35 Construction jobs
 - Incentive – Sales Tax Exemption
- T-Rex Hyde Park Owner, LLC was approved for tax exemptions for an approximately \$407,949,572 project for construction and development of 175,000 square feet of commercial space, a welcome center, a community center and 344 rental apartments in Hyde Park.
 - Create – 154 Permanent FTE jobs
 - Create – 300 Construction jobs
 - Incentive – Sales Tax Exemption, Mortgage Tax Exemption and a PILOT

In 2023, the IDA Board also approved the following amendments to existing projects.

- MHTC Development, LLC is currently constructing a new town center in the Town of Poughkeepsie to be known as Eastdale Village. The development is designed to meet the goals of the Town as outlined in the Town Plan and Zoning code. The mixed use development will include approximately 390 rental residential units and approximately 140,000 sf of mixed use commercial spaces including Medical Offices, Professional Offices, General Offices, Personal Service Businesses, Child Care facilities, Food Services and General Retail. Necessary infrastructure improvements of water, sewer, storm water, electric, gas to the site, as well as required improvements to the State Highway system for access to the site will also be constructed as part of the project. The Agency approved an amendment for the re-allocation of previously approved benefits to related entities.
 - Related entities:
 - 942-944 Dutchess Turnpike, LLC
 - 23 Eastdale Avenue, LLC
 - 32 Eastdale, LLC

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.