

Dutchess County **DCIDA** Industrial Development Agency

3 Neptune Road, Suite A21, Poughkeepsie, NY 12601
Tel. # - (845) 463-5400 / Fax # - (845) 463-0100

NOTICE AND CONFIRMATION **BOARD OF DIRECTORS REGULAR MEETING**

Wednesday, September 21, 2022
8:00 am

DATE: September 14, 2022

TO: Mark Doyle, Vice Chair
Kathleen Bauer, Secretary/Treasurer
Amy Bombardieri
Jamie Piccone II
Don Sagliano
Al Torreggiani

FROM: Tim Dean, Chairman

A regular meeting of the Dutchess County Industrial Development Agency [DCIDA] has been scheduled for **Wednesday, September 21, 2022 at 8:00 am** at 3 Neptune Road, Suite A21, Poughkeepsie, NY 12601.

In compliance with NYS Senate Bill S88, signed into law on August 27, 2019 and effective as of January 2020, this meeting will be recorded.

PLEASE TAKE NOTICE that the Dutchess County Industrial Development Agency (the "Agency") Board Meeting scheduled for September 21, 2022 can also be viewed electronically via conference call by the public. Members of the public may listen to the Board meeting by logging into the Zoom Platform at <https://us06web.zoom.us/j/83441118740> or calling 1-929-436-2866 Meeting ID: 834 4111 8740. The meeting will be recorded and will be posted to the Agency's website.

The purpose of the meeting is to consider the following:

1. Conflict of Interest Disclosures
2. Proof of Meeting Notice
3. Bills and Communications
4. Approval of Minutes
July 13, 2022
5. Report of the Treasurer
 - A. Financial Report
6. Reports of Committees
7. Unfinished Business
8. New Business
 - A. Presentation by Reynolds Asset Management/Violet Estates Owner LLC (Town of Poughkeepsie) introducing their request for an amendment to existing agreements to provide an additional Sales Tax Exemption in the benefit amount of \$50,000 for a total sales tax benefit amount of \$293,750.
 - B. For Discussion Local Workforce Utilization Policy

Information Copy

Marcus J. Molinaro, DC Executive
A. Gregg Pulver, Chairman, DC Legislators
Ronald Hicks, Dutchess County

Sarah Lee, Executive Director
Jane Denbaum, CFO
Donald Cappillino, Counsel
Elizabeth Cappillino, Counsel

B. Hunter, WEOK/WPDH
H. Gross, Mid-Hudson News

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BOARD OF DIRECTORS REGULAR MEETING

Wednesday, September 21, 2022
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AGENDA

1. Roll Call
2. Conflict of Interest Disclosures
3. Proof of Meeting Notice
4. Bills and Communications
5. Approval of Minutes
July 13, 2022
6. Report of the Treasurer
 - A. Financial Report
7. Reports of Committees
8. Unfinished Business
9. New Business
 - A. Presentation by Reynolds Asset Management/Violet Estates Owner LLC (Town of Poughkeepsie) introducing their request for an amendment to existing agreements to provide an additional Sales Tax Exemption in the benefit amount of \$50,000 for a total sales tax benefit amount of \$293,750.
 - B. For Discussion Local Workforce Utilization Policy
10. Adjournment

In compliance with NYS Senate Bill S88, signed into law on August 27, 2019 and effective as of January 2020, this meeting will be recorded.

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*3 Neptune Road, Poughkeepsie, NY 12601
Tel. # - (845) 463-5400 / Fax # - (845) 463-0100*

BOARD OF DIRECTORS REGULAR MEETING
Wednesday, July 13, 2022

Present: Tim Dean, Chairman
Mark Doyle, Vice Chairman
Kathleen Bauer, Secretary/Treasurer
Amy Bombardieri
Jamie Piccone II
Don Sagliano

Unable to Attend: Al Torreggiani

Also Present: Sarah Lee, Executive Director
Jane Denbaum, CFO
Jasmin Haylett, Office Administrator
Don Cappillino & Elizabeth Cappillino (Counsel)
Ryan Kelly, John DiCola, Tom Wood & Nick D'Alessandro (CANAM Hudson Valley Logistics)
Melaine Rottkamp (Dutchess Tourism)
Heather LaVarnway, Anne Saylor & Eoin Wrafter (DC Planning & Development)
Doreen Tignanelli & Jim Beretta (Members from the public)

On Wednesday, July 13, 2022, the Dutchess County Industrial Development Agency [DCIDA] Board of Directors regular meeting was called to order by Chairman Dean at 8:05 a.m. Present was: Tim Dean, Mark Doyle, Kathleen Bauer, Amy Bombardieri, Jamie Piccone II and Don Sagliano. Unable to attend was Al Torreggiani. Quorum was established.

CONFLICT OF INTEREST DISCLOSURES

Chairman Dean asked board members if they had any potential conflicts with any items on the agenda. No potential conflict was noted.

PROOF OF MEETING NOTICE

Meeting notice was published on July 8, 2022.

BILLS AND COMMUNICATIONS

None

APPROVAL OF MINUTES

June 8 2022

Chairman Dean asked for a motion to approve the June 8, 2022 minutes of the Dutchess County Industrial Development Agency.

A motion was made by Ms. Bauer, duly seconded by Mr. Doyle to approve the DCIDA Board of Directors meeting minutes for June 8, 2022. Roll call vote was taken. All voted in favor and the motion was carried.

REPORT OF THE TREASURER

A. Financial Report

Ms. Denbaum proceeded to report on the June 30, 2022 Balance Sheet and Profit & Loss Budget

- Current cash balance is \$5,962,192.64
- The reason for the high cash is the Cricket Valley PILOT of \$3.4 million was received on 6/30/22
- In the liabilities and equity section, there's a liability to pay out that \$3,473,785.00
- The P&L has a total income of \$5,098,925.29, carving out the PILOT payments, its \$190,000 and expenses are \$5.5 million. Carving out the same pilot payment it is \$585,000 for a net loss of \$395,006.19 to a budgeted net loss of \$258,635.00
- Expenses are on schedule

REPORTS OF COMMITTEES

None

UNFINISHED BUSINESS

None

NEW BUSINESS

- A. For Consideration and Approval of a Preliminary Resolution for CANAM Hudson Valley Logistics Owner LLC (Town of East Fishkill) to induce a Project providing for a Mortgage Tax Exemption, Sales Tax Exemption and a Payment in Lieu of Taxes for an approximately \$79,500,000 project for construction and re-development at 500 South Drive, Hopewell Junction to construct a new warehouse/distribution center of approximately 530,000 sq. feet.

Ms. Lee noted the following:

- CANAM Hudson Valley Logistics owner is comprised of the members behind the USAF Logistics Center which is going to house the Amazon warehouse. This project is located in front of the Amazon warehouse at the site of what is most commonly known as the sports dome.
- Hudson Valley Logistics has recently purchased the property and plan to construct a 530,000 square foot warehouse and logistics center
- To make the property competitive and to attract potential end users, they are requesting IDA financial assistance
- They are requesting a sales tax exemption, a mortgage tax exemption, and the same 15 year deviated PILOT that was approved for the Amazon warehouse
- Currently they do not have a tenant identified but they are guaranteeing 100 FTEs to be created at the job site

Ms. Lee introduced representatives from the project: John DiCola and Ryan Kelly. Supervisor D'Alessandro was also introduced as in-attendance. Mr. DiCola then proceeded to give an overview and update of the project and answer questions.

Questions, responses and comments ensued.

A motion was made by Mr. Piccone, duly seconded by Ms. Bombardieri to approve the Preliminary Resolution for CANAM Hudson Valley Logistics Owner LLC (Town of East Fishkill) to induce a Project providing for a Mortgage Tax Exemption, Sales Tax Exemption and a Payment in Lieu of Taxes for an approximately \$79,500,000 project for construction and re-development at 500 South Drive, Hopewell Junction to construct a new warehouse/distribution center of approximately 530,000 sq. feet. Roll call vote was taken. All voted in favor and the motion was passed.

- B. For Consideration and Approval of a Preliminary Resolution for Champlain Hudson Power Express (Dutchess County) to induce a Project providing for a Mortgage Recording Tax Exemption, Sales Tax Exemption and a Payment in Lieu of Taxes for an approximately \$167,000,000 project for construction and installation of a underwater 1,250 megawatt high-voltage direct current electric transmission line approximately 31 miles in length along the Dutchess County side of the Hudson River

Chairman Dean noted that the applicant has requested that this item be withdrawn from the agenda.

- C. Dutchess County Planning Housing Needs Assessment Report Presentation
Ms. LaVarnway and Ms. Saylor presented the DC Planning Housing Needs Assessment Report. The presentation consisted of the following:
- Demographic housing and economic trends over the past 10 to 20
 - Recommendations for future housing needs
 - Slow growth and shrinking households
 - The number of households and the household size
 - Population change by age groups between 2000 and 2019
 - Cost burden for renters

Questions, responses and comments ensued.

- D. Dutchess Tourism first and second quarter performance outcomes
Ms. Rottkamp reported on the following from the 1st and 2nd quarter performance outcomes:
- Paid advertising
 - Summer in Dutchess A-Z
 - Air Dutchess
 - Business support efforts
 - Hudson Valley Film Commission
 - Arts Mid-Hudson

Questions, responses and comments ensued.

- E. Dutchess County Local Development second quarter outcomes
Ms. Lee reported on the second quarter outcomes for DCLDC from the following activities:
- Business Attraction
 - Business Retention & Expansion
 - Entrepreneurship
 - IDA & LDC Projects

Questions, responses and comments ensued.

- F. Open Meeting Policy Discussion
Ms. Lee noted the following:

- The Governor signed into law rules to expand the open meetings law however in the law are procedures that public authorities must do in order to adopt the expanded rules including holding a public hearing on the expanded open meetings policy
- This policy would be an expansion to the currently open meeting policy where in-person quorum would still be required and any board members participating virtually due to outlined extraordinary circumstances could be added to the in-person quorum

Discussion ensued with questions, responses and comments.

Chairman Dean noted that he would like to ask council to prepare a resolution for the next meeting that will allow the board to adopt the modified provisions.

ADJOURNMENT

There being no further business to discuss on the agenda, the meeting was adjourned by Chairman Dean at 10:30 a.m.

Respectfully submitted,

Kathleen M. Bauer, Secretary/Treasurer

Date

Meeting 07-13-2022
Approved _____
Certified _____

Dutchess County Industrial Development Agency

Balance Sheet

09/06/22

As of August 31, 2022

Accrual Basis

	Aug 31, 22
ASSETS	
Current Assets	
Checking/Savings	
1010 · Cash	
1152 · Money Market TD Bank	694,181.27
1155 · CD1- Salisbury	120.20
1156 · CD2 - Salisbury	1,791,608.73
Total 1010 · Cash	2,485,910.20
Total Checking/Savings	2,485,910.20
Accounts Receivable	
11000 · Accounts Receivable	5,000.00
Total Accounts Receivable	5,000.00
Total Current Assets	2,490,910.20
Fixed Assets	
1390 · Furniture & Equipment	
1680 · Furniture & Equipment	3,115.81
1710 · Accumulated Depreciation	-3,115.81
Total 1390 · Furniture & Equipment	0.00
Total Fixed Assets	0.00
Other Assets	
1175 · Other Assets	
1310 · Prepaid Expense	2,550.07
Total 1175 · Other Assets	2,550.07
1600 · Escrow Deposits	
1601 · Cricket Valley Escrow Deposit	1,771,173.12
Total 1600 · Escrow Deposits	1,771,173.12
Total Other Assets	1,773,723.19
TOTAL ASSETS	4,264,633.39
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
2300 · Escrow Deposit Liability	
2301 · Cricket Valley Escrow Deposit	1,771,173.12
Total 2300 · Escrow Deposit Liability	1,771,173.12
Total Long Term Liabilities	1,771,173.12
Total Liabilities	1,771,173.12
Equity	
2490 · Fund Balance	
3200 · Fund Balance IDA	-25,000.00
Total 2490 · Fund Balance	-25,000.00
30000 · Opening Balance Equity	1,447,427.47
32000 · Unrestricted Net Assets	1,463,844.34
Net Income	-392,811.54
Total Equity	2,493,460.27
TOTAL LIABILITIES & EQUITY	4,264,633.39

Dutchess County Industrial Development Agency
Profit & Loss Budget vs. Actual
January through August 2022

	Jan - Aug 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Cash Revenues				
4020 · Administrative Fees	171,359.27	375,000.00	-203,640.73	45.7%
4030 · Application Fees	2,000.00	3,000.00	-1,000.00	66.7%
4035 · Compliance Fees	16,034.00	7,515.00	8,519.00	213.4%
4040 · Fees - Other	5,000.00			
4150 · PILOT Payments	4,908,672.04			
4910 · Interest	6,446.47	6,000.00	446.47	107.4%
Total 4000 · Cash Revenues	5,109,511.78	391,515.00	4,717,996.78	1,305.1%
Total Income	5,109,511.78	391,515.00	4,717,996.78	1,305.1%
Expense				
6000 · Expenditures				
6240 · Audit	0.00	13,900.00	-13,900.00	0.0%
6260 · Dues, Publications, Subs	2,499.25	5,000.00	-2,500.75	50.0%
6280 · Insurance	4,193.38	3,750.00	443.38	111.8%
6350 · Misc	3,819.00	3,000.00	819.00	127.3%
6450 · PILOT Payments	4,908,672.04			
6500 · Professional Service Contracts	575,000.00	600,000.00	-25,000.00	95.8%
6510 · Professional Services	6,212.51	20,000.00	-13,787.49	31.1%
6520 · Rent	1,049.52	1,000.00	49.52	105.0%
6530 · Supplies	0.00	1,000.00	-1,000.00	0.0%
6550 · Travel & Meetings	877.62	2,500.00	-1,622.38	35.1%
Total 6000 · Expenditures	5,502,323.32	650,150.00	4,852,173.32	846.3%
Total Expense	5,502,323.32	650,150.00	4,852,173.32	846.3%
Net Ordinary Income	-392,811.54	-258,635.00	-134,176.54	151.9%
Net Income	-392,811.54	-258,635.00	-134,176.54	151.9%

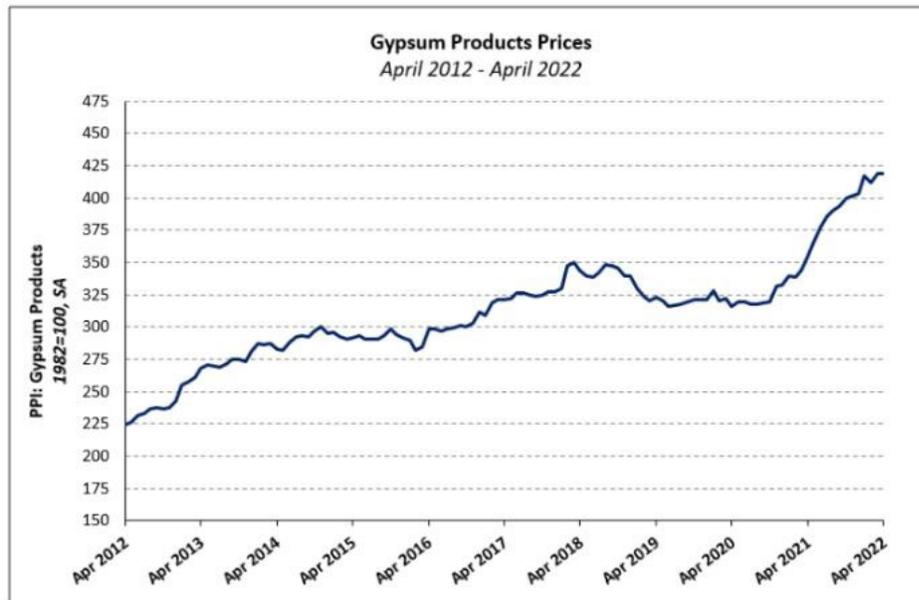
August 29, 2022

Ms. Sarah Lee
Executive Director
Dutchess County IDA
3 Neptune Road
Poughkeepsie, NY 12601

Dear Ms. Lee,

Violet Estates Owner, LLC, (IDA Project# 13022003) would like to request an increase in the IDA sales tax credit allowance. Building material prices have increased significantly over the last 15 months. Below is a summary of some of the project's cost increases:

- **Gypsum products:** Prices for gypsum products are up 17.8% year-on-year and up 23.5% since January 2021. Two domestic drywall manufacturers have announced their July price increases, and others are expected to follow suit.



- **Lumber:** According to the National Association of Home Builders, lumber costs increased the cost of constructing a single home built by more than \$18,600 between fall 2021 and January 2022. Softwood prices in particular have continued to rise as a result of rising Canadian lumber tariffs, rising 79.5 percent from September 2021 to January 2022. The softwood lumber PPI has fallen 29.5% from its peak, but it is still 71.9% higher than the January 2020 level.
- **Appliances** - According to the latest data, appliance prices increased by 7.3% in one year. This includes not only kitchen appliances, but also washers and dryers and other essential appliances.
- **Oil** - Oil prices are at record highs, significantly increasing transportation costs to deliver materials to the marketplace and which also indirectly impacts price of plastic products such as PVC pipe.

Of course, these increases have had negative impact on the cost of multifamily construction. Currently, considering these significant construction material cost increases, we are requesting a limit increase of \$615,385 for the purchase of eligible good and services for the construction of the project and a related NYS Tax Exemption increase of \$50,000. The multifamily project is currently approved for \$3,000,000 of estimated costs of goods and services eligible for tax exemption and a related \$243,750 of NYS State and Local Tax Exemption.

We appreciate your time and consideration in this matter, and please let us know if you have any questions or additional requirements regarding this request. Thank you so much.

Dutchess County Industrial Development Agency
Memorandum

TO: Chairman and Members
Governance Committee Members

FROM: Sarah Lee
Executive Director

DATE: September 14, 2022

RE: For Discussion Local Workforce Policy

A local trades group has asked the Dutchess County Industrial Development Agency to consider raising the significant cost differential threshold from the current 10% to up to 20%.

Due to local labor costs they state it is often difficult to get their proposals within the 10% threshold.

Under the current policy, waivers can be granted under four conditions. Any waiver request submitted outside these conditions require board approval.

The four waiver conditions are:

- Warranty issues related to installation of specialized equipment or materials whereby the manufacturer requires installation by only approved installers
- Specialized construction for which qualified Local Workforce Area workers are not available;
- Significant cost differentials in bid prices whereby the use of local workforce significantly increases the cost of the project. A cost differential of 10% is deemed significant. Every effort should be made by the contractor or applicant to get below the 10% cost differential including, but not limited to, meeting with local construction trade organizations and local contractor associations
- Documented lack of workers meeting the Local Workforce Area requirement

Waivers Granted

- Since the establishment of the policy in 2016, nine IDA projects have been subject to the requirements of the Local Workforce Policy.
- Six of these projects have submitted one or more waivers.
- Seventeen waivers have been granted under the below waiver provisions.

Warranty Issues	Over 10% Threshold	Local Labor not Available	Specialty Construction not available locally	Total Waivers Granted
7	7	2	1	17

In researching IDAs with a local workforce policy, all the policies have a waiver component. For the purpose of the discussion the chart below compares the Dutchess County IDA with Rockland County, Orange County and Ulster County IDAs’ cost differential threshold¹.

	Dutchess County IDA	Orange County IDA	Rockland County IDA	Ulster County IDA
Local Labor Area	9 Counties	7 Counties	7 Counties	7 Counties
Local Workforce Requirement	80%	85%	85%	75%
Local Labor Waiver	Yes	Yes	Yes	Yes
Threshold for Cost Differential	10%	20% for projects >\$15 million 10% for project <\$15 million	10%*	25%

*Note: Rockland County IDA includes in their policy an opportunity for the lowest bidder using local labor the right of first refusal to match the lowest bid as remedy to ensure compliance with the intent of the policy.

¹ Westchester County IDA and Putnam County IDA do not have a Local Workforce Requirement. The Town of Montgomery IDA has a local workforce policy however only County IDA level IDAs were compared to keep the analysis as comparable as possible.