

MINUTES

Dutchess County  Industrial Development Agency

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

BOARD OF DIRECTORS REGULAR MEETING

Wednesday, October 19, 2022

Present: Tim Dean, Chairman
Mark Doyle, Vice Chairman
Kathleen Bauer, Secretary/Treasurer
Al Torreggiani

Unable to Attend: Don Sagliano
Jamie Piccone II
Amy Bombardieri

Also Present: Sarah Lee, Executive Director
Jane Denbaum, CFO
Jasmin Haylett, Office Administrator
Don Cappillino & Elizabeth Cappillino (Counsel)
Adam Triglia & Mammad Shahbazov (Reynolds Asset Management)
Joe Kirchhoff & Kathy Hickman (MHTC Development & DASC Eastdale)
Doreen Tignanelli & Jim Beretta (Members from the public)

On Wednesday, October 19, 2022, the Dutchess County Industrial Development Agency [DCIDA] Board of Directors regular meeting was called to order by Chairman Dean at 8:05 AM. Present was: Tim Dean, Mark Doyle, Kathleen Bauer and Al Torreggiani. Unable to attend was Amy Bombardieri, Jamie Piccone II and Don Sagliano. Quorum was established.

CONFLICT OF INTEREST DISCLOSURES

Chairman Dean asked board members if they had any potential conflicts with any items on the agenda. Ms. Bauer noted that she has a conflict with Reynolds Asset Management/Violet Estates because she deals with them on a regular basis at work.

PROOF OF MEETING NOTICE

Meeting notice was published on October 12, 2022.

BILLS AND COMMUNICATIONS

None

APPROVAL OF MINUTES

September 21, 2022

Chairman Dean asked for a motion to approve the September 21, 2022 minutes of the Dutchess County Industrial Development Agency.

A motion was made by Mr. Doyle, duly seconded by Ms. Bauer to approve the DCIDA Board of Directors meeting minutes for September 21, 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 September 30, 2022 Balance Sheet and Profit & Loss Budget

- Current cash balance is \$2,487,294.53
- The P&L revenue is \$5.9 million. Carving out the pilot payments, the actual is \$203,000 to a budget of \$392,000 for an unfavorable variance of \$188,000
- Expenses are \$6.3 million. Carving out that pilot, the expenses are \$595,000 to a budget of \$650,000 for a favorable variance of \$56,000
- There is a net loss of \$391,000 to a budgeted net loss of \$259,000 for an unfavorable variance to a budget of \$133,000

REPORTS OF COMMITTEES

A. For Consideration and Approval of 2023 Budget and submission to PARIS

Ms. Bauer gave an overview of the IDA revenues and expenses for the 2022 estimated end of year budget and the 2023 proposed budget.

Questions, responses and comments ensued.

A motion was made by Ms. Bauer, duly seconded by Mr. Torreggiani to approve the 2023 IDA proposed budget. Roll call vote was taken. All voted in favor and the motion was passed.

A motion was made by Ms. Bauer, duly seconded by Mr. Torreggiani to submit the IDA 5 year budget to PARIS. Roll call vote was taken. All voted in favor and the motion was passed.

UNFINISHED BUSINESS

None

NEW BUSINESS

- #### **A. For Consideration and Approval of a Final Resolution for Reynolds Asset Management/Violet Estates Owner LLC (Town of Poughkeepsie) authorizing 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.**

Due to lack of quorum, this meeting item was postponed until a special meeting date is scheduled.

- #### **B. For Consideration and Approval of a Final Resolution for CANAM Hudson Valley Logistics Owner LLC (Town of East Fishkill) to approve 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 530,000sq feet.**

Ms. Lee noted that the applicant requested that this meeting item be postponed because they are still waiting for their SEQRA declaration.

- C. For Consideration and Approval of a Final Resolution for MHTC Development, LLC and DASC Eastdale, LLC (Town of Poughkeepsie) for an amendment to the Master Agreement and the allocation of a portion of the Mortgage Tax Exemption and Sales Tax Exemption previously granted to MHTC Development, LLC to DASC Eastdale, LLC for the next phase of the Project and providing the PILOT Schedule for that phase.

Ms. Lee noted the following:

- MHTC otherwise known as Eastdale Villages and DASC are requesting approval to amend the master agreement to allocate a portion of the benefits previously approved to MHTC to the new entity known as DASC Eastdale LLC

Chairman Dean also noted that the board previously approved the benefits with the understanding that the developer would come before the board to reassign portions of those benefits as different parts of the project were being built out.

Mr. Kirchhoff proceeded to give an overview of the layout of the building and its location on Route 44.

Ms. Hickman also expressed her appreciation to the board for considering this project and noted that this would not be possible without the IDA's assistance.

Questions, responses and comments ensued.

A motion was made by Mr. Torreggiani, duly seconded by Mr. Doyle to approve the Final Resolution for MHTC Development, LLC and DASC Eastdale, LLC (Town of Poughkeepsie) for an amendment to the Master Agreement and the allocation of a portion of the Mortgage Tax Exemption and Sales Tax Exemption previously granted to MHTC Development, LLC to DASC Eastdale, LLC for the next phase of the Project and providing the PILOT Schedule for that phase. Roll call vote was taken. All voted in favor and the motion was passed.

- D. For Discussion Local Workforce Utilization Policy

Ms. Lee noted the following:

- She received a request if the board would consider raising the cost differential on the local workforce waiver
- The current local workforce policy allows for waivers in four situations. One, if it's a specialty type of work, two is a warranty situation, third is if workers are not available to meet the workforce threshold and the fourth one is if there's a cost differential of 10% or more

Discussion ensued with questions, responses and comments

Based on the discussion and questions asked, Ms. Lee will do some more research and bring the results back to the board at a future meeting.

- E. For Discussion of Open Meeting Policy and Consideration and Approval of a resolution authorizing a public hearing on the use of videoconferencing for public meetings.

Ms. Lee noted the following:

- The state of emergency which allowed for virtual attendance by board members has ended however a temporary law has been put in place to allow boards to expand their participation by video but there are certain procedures that need to be completed before the board can expand its ability to meet virtually.

Ms. Cappillino also noted the following:

- This was discussed earlier in the summer but at that point the state of emergency was still in place and the board could still meet virtually
- If the board wants to allow board members to participate by video conference, they have to hold a public hearing on the issue and then adopt a policy
- It would be considered an extraordinary circumstance and it's up to the board to define what those extraordinary circumstance would be
- Exhibit A in the packet outlines some examples of extraordinary circumstances such as: disability, illness, caregiving responsibilities and any significant or unexpected factors and this would be on an individual basis
- If board members are going to be participating by video, they will not be counted towards in person quorum

Discussion ensued with questions, responses and comments.

A motion was made by Mr. Doyle, duly seconded by Mr. Torreggiani to approve the Open Meeting Policy resolution authorizing a public hearing on the use of videoconferencing for public meetings. Roll call vote was taken. All voted in favor and the motion was passed.

ANNOUNCEMENT

Ms. Lee noted that this year the Business Excellence Award event will be on Thursday, October 27, 2022 at 6:00 PM at the Culinary Institute. Typically the IDA purchases a table for this event. She wanted to know if the board would still be interested in purchasing a table.

The board agreed that the IDA will purchase a table for this event.

ADJOURNMENT

There being no further business to discuss on the agenda, the meeting was adjourned by Chairman Dean at 8:55 AM.

Respectfully submitted,


Kathleen M. Bauer, Secretary/Treasurer

12/14/2022
Date

Meeting	<u>10-19-2022</u>
Approved	<u>11-09-2022</u>
Certified	<u>11-09-2022</u>

Dutchess County Industrial Development Agency
Balance Sheet
 As of September 30, 2022

	Sep 30, 22
ASSETS	
Current Assets	
Checking/Savings	
1010 · Cash	
1152 · Money Market TD Bank	694,155.87
1155 · CD1- Salisbury	250,257.30
1156 · CD2 - Salisbury	1,542,881.36
Total 1010 · Cash	2,487,294.53
Total Checking/Savings	2,487,294.53
Accounts Receivable	
11000 · Accounts Receivable	5,000.00
Total Accounts Receivable	5,000.00
Total Current Assets	2,492,294.53
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	1,772,628.88
Total 1600 · Escrow Deposits	1,772,628.88
Total Other Assets	1,775,178.95
TOTAL ASSETS	4,267,473.48
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
2300 · Escrow Deposit Liability	
2301 · Cricket Valley Escrow Deposit	1,772,628.88
Total 2300 · Escrow Deposit Liability	1,772,628.88
Total Long Term Liabilities	1,772,628.88
Total Liabilities	1,772,628.88
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	-391,427.21
Total Equity	2,494,844.60
TOTAL LIABILITIES & EQUITY	4,267,473.48

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

	Jan - Sep 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Cash Revenues	171,359.27	375,000.00	-203,640.73	45.7%
4020 · Administrative Fees	2,000.00	3,000.00	-1,000.00	66.7%
4030 · Application Fees	16,034.00	7,515.00	8,519.00	213.4%
4035 · Compliance Fees	5,018.00			
4040 · Fees - Other	5,715,452.14	6,000.00	2,687.55	144.8%
4150 · PILOT Payments	8,687.55			
4910 · Interest				
Total 4000 · Cash Revenues	5,918,550.96	391,515.00	5,527,035.96	1,511.7%
Total Income	5,918,550.96	391,515.00	5,527,035.96	1,511.7%
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	4,193.75	3,000.00	1,193.75	139.8%
6450 · PILOT Payments	5,715,452.14			
6500 · Professional Service Contracts	575,000.00	600,000.00	-25,000.00	95.8%
6510 · Professional Services	6,712.51	20,000.00	-13,287.49	33.6%
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	6,309,978.17	650,150.00	5,659,828.17	970.5%
Total Expense	6,309,978.17	650,150.00	5,659,828.17	970.5%
Net Ordinary Income	-391,427.21	-258,635.00	-132,792.21	151.3%
Net Income	-391,427.21	-258,635.00	-132,792.21	151.3%

Dutchess County Industrial Development Agency

IDA	2021	2022	2022	2023
Revenues:	Audited	Budget	Estimated	Proposed
Total Revenue	1,316,466	391,515	654,168	447,000
1 Administration Fees	1,297,408	375,000	611,359	375,000
2 Application Fees	2,750	3,000	2,000	2,000
3 Compliance Fees	12,528	7,515	16,034	18,000
4 Other Fees	0	0	14,775	44,000
5 Interest	3,781	6,000	10,000	8,000
Total Revenue	1,316,466	391,515	654,168	447,000
Expenditures:				
6 Audit	13,700	13,900	14,500	15,000
7 Dues, pub, sub	2,049	5,000	2,499	4,000
8 Insurance	4,128	3,750	4,193	4,300
9 Misc/Other	7,268	3,000	6,000	4,000
10 Professional Service Contracts	600,000	600,000	600,000	600,000
11 Professional Services	4,384	20,000	26,450	58,000
12 Rent	1,001	1,000	1,050	1,100
13 Supplies	670	1,000	0	1,000
14 Travel & Meeting	2,447	2,500	878	2,500
Total Expense	635,646	650,150	655,569	689,900
Excess Income /Expense	680,820	(258,635)	(1,401)	(242,900)

	2021	2022	2022	2023
	Actual	Proposed	Estimated	Proposed
	150,000	150,000	150,000	150,000
LDC	150,000	150,000	150,000	150,000
DTI	425,000	425,000	425,000	425,000
HV Agri	25,000	25,000	25,000	25,000
10 <i>Professional Service Contracts</i>	600,000	600,000	600,000	600,000
DTI	300,000	300,000	300,000	300,000
MidHudson Arts	100,000	100,000	100,000	100,000
HV Film	25,000	25,000	25,000	25,000
	425,000	425,000	425,000	425,000
Cappillino, Rothchild & Egan, LLP	3,384	10,000	5,000	10,000
Local Workforce Compliance	0	0	11,950	34,000
Reasonability Studies	0	0	5,000	10,000
Transcription Services	0	0	2,500	1,500
Video services	1,000	10,000	2,000	2,500
11 <i>Professional Services</i>	4,384	20,000	26,450	58,000

Dutchess County Industrial Development Agency
2022 End of Year and Proposed 2023 Budget
Narrative

Revenues:

1. *Administrative Fees* for Year end 2022 is estimated on revenue from two projects that have closed (Arthur S. May Redevelopment and One Dutchess Phase 3 and the potential closing of CANAM Hudson Valley Logistics. *Administrative Fees* in 2023 is based on 2 project closings.
2. *Application Fees* is estimated on 2 application submissions
3. *Compliance Fees* is based on active projects that are subject to the fee
4. Other Fees include fees related to the Local Workforce Compliance monitoring and Reasonability Studies
5. *Interest* is based on short term investment interest

Expenditures:

6. *Audit* is based on costs outlined in RBT's proposal.
7. *Dues, Publications and Subscriptions* includes a subscription for a Cost Benefit program, shared membership with LDC to NYSEDC.
8. *Insurance* is the Crime Bond and General Liability for the IDA
9. *Misc/Other* includes postage and web-domain fees.
10. The *Professional Service Contract* includes contracts with the Dutchess County Local Development Corporation, Dutchess Tourism, and Hudson Valley Agriculture. The professional service contract amount with DTI will be \$425,000. The IDA contract amount with the LDC is \$150,000. The professional service contract with Hudson Valley Agriculture is \$25,000.
11. The *Professional Services* includes estimated cost for services from Cappillino, Rothchild & Egan, LLP, public hearing transcription, video services, local workforce compliance monitoring and reasonability studies.
12. *Rent* is the IDA's cost of the storage unit
13. *Supplies* is an estimated cost of supplies
14. *Travel and meeting* is based on an estimated costs.

Dutchess County Industrial Development Agency

Paris 5 Year Budget

Year: 2023

	Last Year (Actual) 2021	Current Year (Estimated) 2022	Next Year (Proposed) 2023	Proposed 2024	Proposed 2025	Proposed 2026
Operating Revenues:						
Charges for services	\$1,312,685	\$644,168	\$439,000	\$447,780	\$456,736	\$465,870
Rentals & Financing Income	\$0	\$0	\$0	\$0	\$0	\$0
Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0
	<u>\$1,312,685</u>	<u>\$644,168</u>	<u>\$439,000</u>	<u>\$447,780</u>	<u>\$456,736</u>	<u>\$465,870</u>
Nonoperating Revenues:						
Investment earnings	\$3,781	\$10,000	\$8,000	\$5,000	\$5,000	\$5,000
State Subsidies / Grants	\$0	\$0	\$0	\$0	\$0	\$0
Federal Subsidies / Grants	\$0	\$0	\$0	\$0	\$0	\$0
Municipal Subsidies / Grants	\$0	\$0	\$0	\$0	\$0	\$0
Public Authority Subsidies	\$0	\$0	\$0	\$0	\$0	\$0
Other Non-Operating Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds From The Issuance of Debt	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$1,316,466	\$654,168	\$447,000	\$452,780	\$461,736	\$470,870
Operating Expenditures:						
Salaries and Wages	\$0	\$0	\$0	\$0	\$0	\$0
Other Employee Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Professional Services Contracts	\$618,084	\$640,950	\$673,000	\$675,000	\$675,000	\$675,000
Supplies and Materials	\$670	\$0	\$1,000	\$1,000	\$1,000	\$1,000
Other Operating Expenses	\$16,893	\$14,619	\$15,900	\$20,000	\$20,000	\$20,000
Nonoperating Expenditures:						
Other Non-Operating Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Total Expense	\$635,646	\$655,569	\$689,900	\$696,000	\$696,000	\$696,000
Excess Income /Expense	\$680,820	(\$1,401)	(\$242,900)	(\$243,220)	(\$234,264)	(\$225,130)
Professional Service Contracts						
LDC	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
D/IT	\$425,000	\$425,000	\$425,000	\$425,000	\$425,000	\$425,000
HV Agri	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
RBT	\$13,700	\$14,000	\$15,000	\$15,000	\$15,000	\$15,000
Professional Services	\$4,384	\$26,450	\$58,000	\$60,000	\$60,000	\$60,000
	<u>\$618,084</u>	<u>\$640,450</u>	<u>\$673,000</u>	<u>\$675,000</u>	<u>\$675,000</u>	<u>\$675,000</u>
Projected Y/E Fund Balance	2,886,272	2,884,871	2,641,971	2,398,751	2,164,486	1,939,357

**Dutchess County
Industrial Development Agency
2023 Budget
PROPOSED**

Operating Revenue:

Charges for Services	439,000
Other Revenue	<u>0</u>
	439,000

Nonoperating Revenue:

Investment Earnings	8,000
Other Non-Operating Revenue	<u>0</u>
Total Revenue	447,000

Operating Expenditures:

Professional Services Contracts	673,000
Other	15,900
Supplies	<u>1,000</u>
Total Expense	689,900

Nonoperating Expenditures:

Other Nonoperating Expenditures	<u>0</u>
Total Expense	689,900

Excess Income /Expense	(242,900)
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