

2019 IDA Performance Goals and Review

Goal #1

Promote Equitable & Regenerative Investment for Development, Job, Creation and Retention

- Support attraction of business, business retention, and job generation in collaboration with local and county economic development organizations
- Respond to leads and to existing businesses to determine eligibility for IDA financing and other business assistance, make referrals, and support/facilitate local and regional economic development initiatives.
- Further develop priority areas as defined in the Uniform Tax-Exempt Policy
- Induce and execute eligible projects that generate investment, stabilize impacted census tracts, encourage community engagement, and create & retain job/apprenticeship opportunities

Performance Review

- The Agency approved tax assistance for 3 projects in 2019:
 - **CNN Spruce** – Mixed use project to include office space, housing and a bakery
 - **The Hive** – Mixed-use adaptive reuse project to include a market, housing, brewery and co-workspace
 - **387-397 Main Street** – Mixed use project to include housing and retail
- Resolutions were passed to provide CNN Spruce, The Hive and 387-397 Main Street with sales and mortgage tax and PILOT tax exemptions
- Contract for CNN Spruce Project was completed
- These 3 projects contribute to the City of Poughkeepsie:
 - **\$26 million dollars of investment**
 - CNN Spruce \$8.2M
 - The Hive \$12.5M
 - 387-397 Main Street \$4.8M
 - **59 retained jobs**
 - All CNN Spruce
 - **86 new full-time jobs**
 - CNN Spruce 21

- The Hive 60
- 387-397 Main Street 5
- **8 new part-time jobs**
 - The Hive 5
 - 387-397 Main Street 3
- **Average salaries above current city median income**
 - CNN Spruce average \$40k/year
 - The Hive average \$48k/year
 - 387-397 Main Street \$58/year
- **50,000 square feet of new commercial space**
 - CNN Spruce 16,000 square feet
 - The Hive 27,000 square feet
 - 387-397 Main Street 6,500 square feet
- **124,000 total square feet**
 - CNN Spruce 38,000 square feet
 - The Hive 58,000 square feet
 - 387-397 Main Street 27,500 square feet
- **60 new apartments**
 - CNN Spruce 18
 - The Hive 20
 - 387-397 Main Street 22
- **2 of the 3 projects located in IDA high-priority target areas** – The Hive and 387-397 Main Street
- PILOT agreement for Eastman Bixby project restructured to prevent cashflow insolvency for housing of 250 low income families while reducing PILOT term 10 years, saving the City of Poughkeepsie nearly \$6 million
- Other projects reviewed by the Agency:
 - Provided solution input to City of Poughkeepsie regarding Delaval Project
 - Reviewed One Dutchess Project for Phase II application for a PILOT
 - Made onsite visit to Union Street Project
- Updated UTEP to include a new point-based assessment criterion including incremental points for development priority areas and ended PILOT policy of tax relief on the entire tax amount. The new policy limits tax exemptions to the incremental new tax increase so that the City is never paid less than the tax amount before development

- Reduced Agency debt 58% from \$445K to \$182k
 - Negotiated a \$100k loan forgiveness
 - Paid \$158K and created a future repayment plan
- Represented the City of Poughkeepsie IDA and its interests at Dutchess County Forum and discussion on leveraging Opportunity Zones

Goal #2

Undertake Compliance Requirements

- Hold at least two (2) Governance and Audit Committee meetings a year
- Annually review and re-adopt policies and operations
- Monitor economic data
- Conduct open meetings
- Complete an annual independent audit
- Monitor projects
- Complete PARIS reporting
- Maintain and update IDA website
- Manage projects and agency in conformance with all applicable state laws and regulations

Performance Review

- Issues regarding governance and audit:
 - Performed annual independent financial audit and audit presented to board by RBT accounting firm
 - Completed annual PARIS report and reviewed by full Board
- Bylaws updated to better align with the Agency limited resources with Board and Staff roles and responsibilities adjusted accordingly

- UTEP revised to represent overarching goals and objectives of the City of Poughkeepsie's development:
 - Recapture of benefits tightened:
 - The project or the project applicant, owner or operator has any outstanding, unmet or delinquent obligations to any taxing jurisdiction
 - The project applicant, owner or operator, or any owner thereof, is convicted of or pleads guilty to any financial crime or financial criminal offense
 - If additional subsidies are provided by any person or entity after approval of the project by the Agency and the Agency was not notified or not aware of the exemption
 - If any data, information and/or reporting forms required to be provided annually by the project applicant, owner or operator is not delivered to the Agency and the Assessor of the City of Poughkeepsie by January 15th of any given year
 - PILOT projects cannot be transferred to new ownership
 - If some ownership remains the same and an owner of the PILOT changes a PILOT recapture of benefits may be triggered
 - Project construction must commence within 18 months of PILOT approval
 - Project must be completed within 4 years of PILOT approval
 - Disqualifiers clarified:
 - Previously been granted a PILOT by the City of Poughkeepsie IDA where the previous project failed to meet its agreed to objectives (e.g., number of permanent jobs created)
 - Have any outstanding unmet obligations (financial or otherwise) to the City of Poughkeepsie
 - Previously been convicted of financial criminal offense
 - Cost Benefit Analysis does not meet minimum acceptable cost/benefit ratio
 - Any project whose construction, reconstruction, renovation, erection, equipping or installation, as the case may be, was undertaken prior to the provision of financial assistance
 - Term of standard PILOT schedules shortened to 10 and 15 years
 - Points-based project evaluation system developed and implemented to capture benefit of IDA projects more comprehensively
 - Standard consistent in-depth analysis developed to assess financial impact of proposed IDA projects on the City of Poughkeepsie's tax revenue
- Mission statement revised to reflect Agency's focus on industry and jobs
- Annual project fees added to Agency Fee Schedule

- Third-party firm selected to conduct advanced and enhanced Cost Benefit Analysis to improve Board decision making capability
- Annual review and re-adoption of all bylaws and policies conducted and new policies added:
 - Sunset Policy
 - Disclosure of Litigation Policy
 - Prohibition of Financial Assistance for Project Work Commenced Policy
 - Requirement that all taxes and outstanding obligations to the City be met and fulfilled before IDA application can be considered
- IDA webpage on City website maintained and significant improvements made:
 - Better structure for user-friendliness
 - Added new categories and information:
 - Performance goals and reviews
 - Project section
 - Frequently asked questions
 - Board and Staff biographies
 - Missing resolutions
 - Financial documents including budgets
- Actions taken to ensure legal compliance:
 - Worked with Legal Counsel to ensure compliance with all applicable state laws and regulations
 - Legal counsel responded in detail to request for information regarding the Agency from the NY State Senate Investigations and Government Operations Committee
- Analyzed 485 A tax exemption benefit and made recommendation to the City Council Chairperson to rescind its adoption
- Eleven Monthly Board meetings prepared and conducted