

2020 IDA Performance Review

The **COVID-19 virus had a negative impact** on the number of new development projects seeking tax benefits in 2020 in the City of Poughkeepsie and has substantially changed where and how people work. Much of the workforce in 2020 worked from home and the Agency believes the nature of where people work will continue to change. IDAs are no longer seeing big location dependent job creation but rather **more job creation that is location independent** and enabling/requiring more individuals to work from home. This new way of working will be supported by housing availability in cities with a reasonable cost of living. The IDA continues to prioritize jobs and is expanding how we count new jobs for new projects particularly with residential housing properties with flexible shared workspaces.

- The Agency approved **tax assistance for 2 new projects** in 2020:
 - **160 Union Street**—Redevelopment of the school at 160 Union Street to residential units. This project's tax benefits are conditional on the development of two other contiguous properties. Combining all 3 properties into a single larger development project will create mixed use with residential/commercial space and more total square footage than each property individually. PILOT, sales, and mortgage tax granted.
 - **141 North Water Street**— New residential. Sales and mortgage tax granted.
- **160 Union Street and 141 North Water Street contribute** to the City of Poughkeepsie in investment dollars, additional residential square feet/apartment units and will build the tax base over time:
 - **\$16.85 million dollars of investment**
 - 160 Union Street - \$10.8M
 - 141 North Water Street - \$6.05M
 - **79,900 total new residential square feet**
 - 160 Union Street – 42,000 square feet (Additional contiguous benefit is dependent on commercial space in 2 additional properties – 147 Union Street and 166 Union Street)
 - 141 North Water Street – 37,900 square feet
 - **57 new market rate apartments**
 - **160 Union Street – 41 Units**
160 Union Street is expected to be a catalytic anchor for the transformation of the entire Union Street Historic District, starting with three properties and propagate out from there.
 - **141 North Water Street – 16 Luxury Units**

The properties assume they will house people who have location independent jobs

- **3 Contracts** - Opportunity Poughkeepsie (Hive), 387-397 Main Street and 160 Union Street - were completed in 2020

- **Other projects reviewed, approved, or denied** by the Agency. Requests for:
 - Additional **mortgage tax exemption for Water Club** refinancing, not granted
 - Additional **mortgage tax exemption for One Dutton** refinancing, not granted
 - **Legal structure change for One Dutton approved.** Developer and legal counsel were clear this was not to sell the rental units as condominiums but to allow for other legally approved benefits.
 - Use of **One Dutton project for a Verizon** Wireless radio tower approved
 - **CNN Spruce sales tax** exemption time period to be extended approved
- **UTEP further refined:** triggers added for an application decline - a cost benefit analysis unacceptable score, insufficient ownership interest; contiguous properties can now be reviewed together for tax benefits
- **New streamlined IDA Application** including clarification instructions; more specificity; alignment of application with the UTEP; actual UTEP included in the application; and an electronic application submission required
- **New reporting** added: Resolution Consolidation Report, Administrative and Annual Fee Report
- A **new comprehensive City of Poughkeepsie Tax Exemption Review** was conducted (including IDA projects, 485As, 581As and County IDA projects) to quantify the relative amount of City tax revenue invested in tax exemptions for developers versus the financial returns to the City. Recommendations were made for policies going forward to discontinue practices that significantly impair the City's and the School District's tax base and to support practices that transform the City with a healthy tax base.
- **New policy** allowing any **project change** (including changes in financial/income sources, employment, operation, and affairs) to enable the IDA to take a further look at the project and at the Agency's discretion, the Agency **could create claw backs** if the project is not in compliance with original assumptions used to create the tax exemption(s)
- **Agency debt reduced** (owed to the City of Poughkeepsie) by 17% from \$193,000 to **\$159,835**. Repaid \$33,165 (\$7831 CNN, \$10,022 Opportunity Poughkeepsie, \$9,150 Union Street, \$6,162 387-397 Main Street)
- **Audits performed:**
 - Annual independent **financial audit** (presented to board by RBT accounting firm)
 - Annual **PARIS report** (reviewed by full Board)
 - New York **State Audit** (worked with Auditors to present information and answer questions)
- **IDA webpage** on City website maintained and improvements made
- 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

- **New legal counsel identified**, selected, and retained to address Bonura (Delaval) lawsuit
- **Policies and operations** reviewed and **re-adopted** in 2020 as required by statute
- **IDA projects** monitored ongoing
- **Meetings** took place **with developers** to encourage and support development in the City of Poughkeepsie
- **7 Monthly open Board meetings** in 2020 were prepared and conducted videotaped or audio taped