

**City of Poughkeepsie Industrial Development Agency
Municipal Building
62 Civic Center Plaza
Poughkeepsie, New York 12601**

NOTICE OF CONTEMPLATED DEVIATION

August 2, 2018

***VIA CERTIFIED MAIL /
RETURN RECEIPT REQUESTED***

To: The Attached List of Affected Tax Jurisdictions
on Schedule A

Re: City of Poughkeepsie Industrial Development Agency
Maple St. of Dutchess LLC
Notice of Contemplated Deviation

Ladies and Gentlemen:

Maple St. of Dutchess LLC (the "Company") has submitted an application (the "Application") to the City of Poughkeepsie Industrial Development Agency (the "Agency") requesting that the Agency provide certain financial assistance to the Company in connection with a certain project (the "Project") consisting of: (i) the Agency taking title, possession or control (by deed, lease, license or otherwise) of an 1.42-acre parcel of land commonly known as 462 Maple Street, City of Poughkeepsie, Dutchess County, New York, being more particularly identified as S/B/L Parcel Number 6161-25-504927-0000 (collectively, the "Land"), (ii) the construction on the Land of a 40-unit affordable workforce and market-rate multifamily residential project consisting of approximately 26 one-bedroom units, 11 two-bedroom units and 3 three-bedroom units, interior community space and exterior green space (all as more fully detailed in the Company's Application on file with the Agency) (the "Improvements"); and (iii) the acquisition and installation by the Company in and around the Land and the Improvements of items of equipment, machinery and other tangible personal property (the "Equipment"; and, together with the Land and Improvements, collectively, the "Facility").

On Wednesday, June 13, 2018, at 6:30 p.m., local time, at Common Council Chambers, Poughkeepsie City Hall, 62 Civic Center Plaza, 3rd Floor, Poughkeepsie, New York 12601, the Agency held a public hearing with respect to the Project. Notice of the public hearing was given to you - as the chief executive officer of an affected tax jurisdiction within which the Facility is located - by the Agency in accordance with General Municipal Law Section 859-(a) under notice letter dated May 31, 2018 (the "Notice Letter"). Pursuant to the Notice Letter, the Agency informed you that it intended to execute and deliver a certain payment-in-lieu-of-tax-agreement (the "PILOT Agreement") with respect to the Facility. We are hereby notifying you that the

terms of the PILOT Agreement are proposed to contain a deviation from the Agency's Uniform Tax Exemption Policy (the "Policy"). The Agency is contemplating a deviation from the Policy as follows:

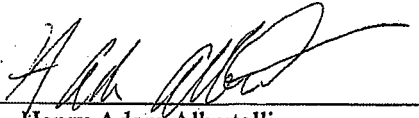
- (a) The Company will pay a fixed PILOT payment during each year of the PILOT Agreement, as set forth more fully on Schedule B attached hereto, rather than making an annual PILOT payment based on a declining percentage of then-assessed valuation of the Project. In addition, the PILOT Agreement will be for a term of only ten (10) years; and
- (b) The Company will not be required to obtain the consent or approval of any affected taxing jurisdictions to the proposed PILOT deviation as set forth in the Policy.

Based upon the application submitted by the Company for financial assistance with respect to the Project, the cost benefit analysis undertaken by the Agency and discussions between the Company and representatives of the Agency, the Agency has concluded that the proposed deviation from the PILOT schedule will make it financially feasible for the Company to redevelop a problematic parcel of land in the City of Poughkeepsie. The Agency is contemplating the proposed deviation from the Policy's requirement that the Company obtain the consent of the affected taxing jurisdictions to the proposed PILOT deviation as set forth in the Policy because such consent is not required under the General Municipal Law. The proposed PILOT deviation affects only the amount of the PILOT payments and duration of the PILOT schedule and does not affect the allocation of the PILOT payments as among the affected taxing jurisdictions.

Upon due consideration of the Company's Application, the various positive economic and social impacts of the Project, and the Project's general satisfaction of several considerations set forth within the Policy, the Agency desires to execute and deliver the PILOT Agreement and provide for a potential deviation from its Policy. Specifically, approval of the potential deviation is based upon one or more of the following factors with respect to the Project, all of which positively impact the health, the community, the environment and the economy of the City of Poughkeepsie, New York. The Project: (i) will include four (4) residential rental units that, at all times during the ten (10) year term of the PILOT Agreement, will be operated and maintained as rental housing for households with incomes not in excess of fifty percent (50%) of prevailing average median income in Dutchess County, New York; (ii) will create approximately seventy (70) construction and construction-related jobs during the construction and development of the Project, and, upon two (2) years after the completion of the Project, retain approximately two (2) full-time or part-time jobs and create approximately one (1) full-time or part-time job; and (iii) will result in a financially feasible Project that does not provide excess benefit to the Company.

We are providing this letter to you, pursuant to Section 874 of the General Municipal Law, as the chief executive officer of an affected tax jurisdiction within which the Facility is located to notify you of a proposed deviation from the Agency's Policy.

**CITY OF POUGHKEEPSIE
INDUSTRIAL DEVELOPMENT AGENCY**

By: 
Henry Adam Albertelli
Interim Executive Director

Schedule A
Chief Executive Officers of
Affected Tax Jurisdictions

Certified Mail

No. 91 7199 9991 7035 5332 5957
The Honorable Marcus J. Molinaro
Dutchess County Executive
22 Market Street
Poughkeepsie, New York 12601

Certified Mail

No. 91 7199 9991 7035 5332 5940
The Honorable A. Gregg Pulver
Chair of the Dutchess County Legislature
22 Market Street
Poughkeepsie, New York 12601

Certified Mail

No. 91 7199 9991 7035 5332 5933
The Honorable Rob Rolison
Mayor of the City of Poughkeepsie
62 Civic Center Plaza
Poughkeepsie, New York 12601

Certified Mail

No. 91 7199 9991 7035 5332 5926
Mr. Marc Nelson
Poughkeepsie City Administrator
City Hall - 3rd Floor
62 Civic Center Plaza
Poughkeepsie, New York 12601

Certified Mail

No. 91 7199 9991 7035 5332 5919
Dr. Felicia Watson
Board of Education President
Poughkeepsie City School District
Jane Bolin Administration Building
11 College Avenue
Poughkeepsie, New York 12603

Certified Mail

No. 91 7199 9991 7035 5332 5902
Dr. Nicolé Williams
Superintendent of Schools
Poughkeepsie City School District
Jane Bolin Administration Building
11 College Avenue
Poughkeepsie, New York 12603

Schedule B

[Proposed PILOT Schedule]

<u>PILOT Year</u>	<u>PILOT Payment</u>
0	Full taxes
1	\$30,000.00
2	\$36,720.00
3	\$43,696.80
4	\$50,937.98
5	\$58,451.34
6	\$66,244.85
7	\$74,326.72
8	\$82,705.37
9	\$91,389.43
10	<u>\$100,387.78</u>
TOTAL	\$634,860.26