

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

NOTICE OF CONTEMPLATED DEVIATION

February 4, 2019

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

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

Re: **City of Poughkeepsie Industrial Development Agency
Opportunity Poughkeepsie I, LLC
Notice of Contemplated Deviation**

Ladies and Gentlemen:

35 Academy Realty LLC submitted an application (the "Application") to the City of Poughkeepsie Industrial Development Agency (the "Agency") on behalf of itself or an entity to be formed (which entity, Opportunity Poughkeepsie I, LLC (the "Company") has been formed) requesting that the Agency provide certain financial assistance to the Company in connection with a certain project (the "Project") for the benefit of the Company consisting of: (i) the Agency taking title, possession or control (by deed, lease, license or otherwise) of certain land located at 33-41 Academy Street, City of Poughkeepsie, Dutchess County, New York (collectively, the "Land"), and the existing improvements located thereon consisting principally of a vacant building and existing night club and containing in the aggregate approximately 50,000 square feet (the "Existing Improvements"); (ii) the demolition of the Existing Improvements; (iii) the construction on the Land of approximately 58,000 square feet of mixed use space consisting of commercial space, including a fresh food market, manufacturing kitchen, food and beverage manufacturing food hall, brewery, co-working space, together with twenty-eight (28) new residential units, all in an inter-generational and non-restrictive concept to provide housing along transit routes and in close proximity to jobs and services (collectively, the "Improvements"), all as more fully detailed in the Company's Application on file with the Agency; and (iv) the acquisition and installation by the Company in and around the Land, the Improvements of items of equipment, machinery and other tangible personal property (the "Equipment"; and, together with the Land and the Improvements, the "Facility").

On Wednesday, December 14, 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

positively impact the health, the community, the environment and the economy of the City of Poughkeepsie, New York: (i) the proposed PILOT schedule will increase the percentage of total amount of taxes over a twenty (20) year period from fifty-eight percent (58%) to seventy percent (70%); (ii) during each year of the PILOT Agreement, PILOT payments will exceed the total amount of taxes being paid on that parcel as of this date; (iii) while the Company will be receiving a \$1,836,111 property tax benefit over the 12-year term of the PILOT Agreement, the Company will pay over that same period of time \$1,516,482 in PILOT payments; (iv) the deviation from the Type 3 PILOT under the Policy will result in \$721,893 more in PILOT payments than would have been generated under the Type 3 PILOT without the deviation; (v) the Project will be receiving other forms of financial assistance (in the form of a grant from the State of New York and two (2) low-interest rate loans) that reduce the amount of financial assistance required from the Agency.

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: Melanie Vetter
Chair

Schedule B

Proposed PILOT Schedule

**City of Poughkeepsie, NY
Industrial Development Agency
Tax Exemption Pilot Schedule**

Owner/Applicant: Opportunity Poughkeepsie I LLC

Project: Hive Development Project

Location: Corner of Academy and Chruch Streets

Date: January 31, 2019

Year	Annual Percentage Tax Exemption	Percent Tax Exemption Cumulative to Date
1	75%	75%
2	75%	75%
3	75%	75%
4	75%	75%
5	75%	75%
6	75%	75%
7	75%	75%
8	50%	72%
9	40%	68%
10	30%	64%
11	20%	59%
12	10%	55%