

MINUTES

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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BOARD OF DIRECTORS REGULAR MEETING

Tuesday, May 19, 2015

PRESENT: Charles Daniels III
Tim Dean
Mark Doyle
Angela Flesland
Phyllis DiStasi Keenan
Edward Summers
Alfred Torreggiani

ALSO PRESENT: Sarah Lee, Interim Executive Director
Jasmin Haylett, DCEDC Office Administrator
Don Minichino, DCEDC, Director of Business Attraction
Don Cappillino, DCIDA Counsel
Ron Hicks, Dutchess County
Mary Kay Vrba, Dutchess Tourism, Inc.
Craig Wolf, Poughkeepsie Journal

On Tuesday, May 19, 2015, the Dutchess County Industrial Development Agency [DCIDA] Board of Directors Meeting was called to order by Chairman Daniels at 8:03 a.m. Present were: Charles Daniels III, Tim Dean, Mark Doyle, Angela Flesland, Phyllis DiStasi Keenan, Edward Summers and Alfred Torreggiani.

APPROVAL OF MINUTES

Chairman Daniels asked for a motion to approve the April 21, 2015 Minutes of the Dutchess County Industrial Development Agency.

A motion was made by Mr. Doyle, duly seconded by Mr. Summers to approve the DCIDA Board of Directors Meeting Minutes for April 21, 2015. All voted in favor. Motion carried.

CONSIDERATION AND APPROVAL OF RESOLUTION

Consideration and Approval of a Preliminary Resolution Authorizing a Sales Tax Exemption for Poughkeepsie Hospitality, LLC

Mr. Cappillino introduced Mr. Kasser. Mr. Kasser gave an update about the changes that will be made to the hotel.

Discussion ensued with questions and answers.

A motion was made by Ms. Keenan, duly seconded by Mr. Doyle to approve the Preliminary Resolution Authorizing a Sales Tax Exemption for Poughkeepsie Hospitality, LLC.

Roll call vote:

Ms. Flesland – No; Mr. Torreggiani – No; Mr. Summers – Yes; Mr. Dean – No; Chairman Daniels – No; Ms. Keenan – Yes, Mr. Doyle – Yes

Motion was defeated by a vote of 4 to 3.

FINANCIAL REPORT

Ms. Lee reported on the 4/30/15 audited financials:

- Cash balance was \$1,317,386.45
- Year-to-date total revenues were \$849,397.02
- Year-to-date total expenditures were \$1,132,969.49

A motion was made by Ms. Flesland, duly seconded by Mr. Torreggiani to approve the 4/30/15 financials. All voted in favor. Motion carried.

EDC TRANSITION

Ms. Lee and Mr. Hicks gave the following updates about the transition:

- Continue to have weekly staff meeting with Chairman Daniels, Ed Kellogg, and Ron Hicks.
- At the April 30, 2015, the DCEDC board officially approved the dissolution of the organization. The documents have been signed and submitted to the Attorney General for approval.
- Terri Waivada has been meeting with the staff.
- Working with a team to rebrand DCLDC with a new theme and logo.
- CRM was purchased and is up and running.

EXECUTIVE DIRECTOR SEARCH

Chairman Daniels gave the following updates:

- Spoke with Rob Camoin and asked him to bill DCIDA for any time he spent on the search.
- Ron Hicks has been appointed the Executive Director and will be formally appointed at a later date. Ms. Lee will remain as the Interim Executive Director until the transition process is complete.

NEW BUSINESS

Preliminary discussion on Recapture of Financial Incentives Policy

Chairman Daniels said he would like to give Ms. Waivada some input about the recapture provisions and prefers that her recommendations be based on the board's point of view. He also said that the most important thing IDAs are struggling with is how to balance being fair to the taxpayers versus attracting and retaining new and existing businesses.

He reminded the board of some of the best practices that was shared with them from other IDAs and told them that the board's position about recapture needs to be change from no recapture to some type of recapture. He proceed to get a consensus from the board about this intended change.

Comments:

Ms. Keenan – There needs to be a balance on both sides. A policy that can capture a portion over a period of time would be good.

Mr. Doyle - Would like the recapture policy to be graded over period of time and include employment figures.

Ms. Flesland – Would like a strong recapture policy that includes the length of the PILOT and graded over a period of time.

Mr. Hicks – Believes in having a strong recapture policy but would also like it to include benefits that are prorated.

Mr. Torreggiani – Believe in having a strong recapture policy and would also like it to include benefits that are prorated.

Mr. Summers – Would like to see an integrated that is strong and also has graded options.

Mr. Dean – Would like and strong but flexible policy that based on the circumstances surrounding each project.

Chairman Daniels said he will ask Ms. Waivada to create a draft policy that would include certain triggers (original use, original intent, or geographic move), show different graded options (length of time), show how it can reflect job numbers, and how the policy can be flexible based on the circumstance of each project.

IBM

Ms. Lee gave an update about IBM's PILOT agreement. She received a letter from IBM about the status of its PILOT agreements for the Poughkeepsie and East Fishkill sites. Part of the PILOT agreement is that IBM will invest \$50 million at each site. As of the end of 2014, IBM invested \$47.8 million at the Poughkeepsie site. According to the application, \$50 million was to be invested by the end of 2015. At the end of 2014, East Fishkill invested \$64 million. This is a 28% higher investment than what was projected. The commitment was to invest \$50 million by 2017.

Hudson Baylor/Beacon Land

Mr. Cappillino told the board that ReCommunity is considering purchasing the property it is renting from Beacon Land. They would to know if the board is disposed to continue the existing PILOT and the provisions of that PILOT.

Chairman Daniels asked if the board had any objections to the possibility of this change.

The board did not have any objections.

ADJOURNMENT

There being no further business, a motion was made by Ms. Flesland, duly seconded by Chairman Daniels to adjourn the meeting. All voted in favor. Motion carried. Meeting adjourned at 8:58 a.m.

Respectfully submitted,

Phyllis DiStasi Keenan, Secretary

Date

Meeting	<u>05-19-15</u>
Approved	<u>06-16-15</u>
Certified	<u>06-16-15</u>