

**City of Poughkeepsie Industrial Development Agency**

P.O. Box 4971

Poughkeepsie, New York 12601

MEETING AGENDA, 2022

**June 7, 2022**

- Chairperson call meeting to order
- Roll call by Secretary
- Approval of Agenda
- Approval of Minutes of previous Meeting
- Public Comment
- Public Hearing on Opportunity Poughkeepsie
- Resolution – Authorizing Resolution for Opportunity Poughkeepsie
- Next steps for July 13<sup>th</sup> Meeting.
- Adjourn Meeting

*Draft Resolution*

Date: June 7, 2022

At a regularly scheduled meeting of the City of Poughkeepsie Industrial Development Agency (the "Agency") duly convened by the Chairperson of the Agency and held on Tuesday, June 7, 2022, at 5:30 p.m. at Common Council Chambers, Poughkeepsie City Hall, 62 Civic Center Plaza, 3rd Floor, Poughkeepsie, New York 12601, the following members of the Agency were:

Present:

Absent:

After the meeting had been duly called to order, the Chairperson announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the Opportunity Poughkeepsie I, LLC Project of the Agency.

The following resolution was duly moved and seconded, discussed and adopted with the following members voting:

Voting Aye

Voting Nay

**RESOLUTION OF THE CITY OF POUGHKEEPSIE INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") AUTHORIZING ADDITIONAL SALES TAX AND MORTGAGE TAX EXEMPTIONS IN CONNECTION WITH THE OPPORTUNITY POUGHKEEPSIE I, LLC PROJECT OF THE AGENCY, AUTHORIZING CERTAIN OFFICERS OF THE AGENCY TO HAVE PREPARED, EXECUTE AND DELIVER AN AMENDMENT TO THE LEASE AND PROJECT AGREEMENT DATED AS OF MAY 1, 2020 BETWEEN THE AGENCY AND OPPORTUNITY POUGHKEEPSIE I, LLC; AND MAKING CERTAIN OTHER FINDINGS AND DETERMINATIONS IN RELATION THERETO**

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 304 of the Laws of 1974 of the State of New York, as amended (collectively, the "Act"), the City of Poughkeepsie Industrial Development Agency (the "Agency") was created with the authority and power, among other things, to promote, develop, encourage and assist in the acquisition, construction, improvement, maintenance, equipping and furnishing of certain industrial, manufacturing, warehousing, commercial, research, civic and recreation facilities as authorized by the Act in order to promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the City of Poughkeepsie, New York and of the State of New York and to improve their standard of living; and

WHEREAS, the Agency entered into a Lease and Project Agreement dated as of May 1, 2020 (the "Project Agreement") with Opportunity Poughkeepsie I, LLC (the "Company") relating to a project described therein (the "Project") entered into pursuant to an Authorizing Resolution adopted by the Agency on February 13, 2019 (the "Authorizing Resolution"); and

WHEREAS, pursuant to Section 2 of the Authorizing Resolution, the Agency authorized and approved the Company, as its agent, to make purchases of goods and services relating to the Project, that would otherwise be subject to New York State and local sales and use tax in an amount up to \$2,695,744.00, which result in New York State and local sales and use tax exemption benefits ("Sales and Use Tax Exemption Benefits") not to exceed \$219,209.00; and

WHEREAS, at such time and pursuant to said Section 2 of the Authorizing Resolution, the Agency agreed to consider any requests by the Company for increase to the amount of Sales and Use Tax Exemption Benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services; and

WHEREAS, pursuant to Section 5.3 of the Project Agreement, the Agency granted to the Company exemption from mortgage recording taxes for one or more Mortgages securing an aggregate principal amount not to exceed \$9,668,910.00, or such greater amount as approved by the Agency in its sole and absolute discretion, in connection with the financing of the Project (the "Mortgage Recording Tax Exemption Benefits"); and

WHEREAS, the Agency has been advised by the Company that since the adoption of the Authorizing Resolution, the Company has been diligently pursuing completion of the Project, that the Project has been severely impacted by the Covid-19 pandemic resulting in delays in the Company's mobilization and scheduling of the Project, that in addition to the scheduling

problems, there were and still are severe supply chain issues impacting the Project, including (a) material price increases, (b) limited supplies, (c) extended lead times, and (d) the increase in costs in both materials and labor as a result of the recent spike in inflation; and

WHEREAS, due in part to such circumstance and increased costs, the Company has sought and been approved for an amendment to its existing Construction Loan Agreement to increase the amount of the loan by \$1,250,000 to a total of \$10,918,910.00, which will be secured, in part by an additional Supplemental Multifamily Construction Loan Mortgage in the amount of \$1,250,000 (the "Supplemental Mortgage"); and

WHEREAS, due to such circumstances and increased costs of the Project, the Company has requested that the Agency approve (i) \$100,000 in additional Sales and Use Tax Exemption Benefits (the "Additional Sales and Use Tax Exemption Benefits"), (ii) an increase in the Mortgage Recording Tax Exemption Benefit for the Supplemental Mortgage (the "Additional Mortgage Recording Tax Exemption Benefit"), and (iii) an extension of time to provide for the implementation of such additional benefits; and

WHEREAS, on May 25, 2022 the Agency published in *The Poughkeepsie Journal* a notice of public hearing for such additional benefits. The public hearing was duly held at Common Council Chambers, Poughkeepsie City Hall, 62 Civic Center Plaza, 3rd Floor, Poughkeepsie, New York on June 7, 2022 at 5:30 P.M.; and

WHEREAS, concurrently with the publication of the notice the Agency notified the chief executive officer of each affected taxing jurisdiction of the public hearing; and

WHEREAS the Agency received comments about such additional benefits and considered those comments prior to making any final decisions regarding approving such additional benefits,

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE CITY OF POUGHKEEPSIE INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

- Section 1. The Agency finds and determines that due to the circumstances and increased costs referenced in the Recitals hereof, and the ability to continue to make the Project financially feasible for the Company to redevelop this parcel of land in the City of Poughkeepsie, an increase in Sales and Use Tax Exemption Benefits, Mortgage Recording Tax Exemption Benefits as well as an extension of time to provide for the implementation of such additional benefits is warranted and necessary.
- Section 2. Based upon representations and warranties made by the Company in the application for the Project and in supplemental correspondence, the Agency hereby authorizes and approves the Additional Sales and Use Tax Exemption Benefits as set forth above.
- Section 3. Based upon representations and warranties made by the Company in the application for the Project and in supplemental correspondence, the Agency hereby authorizes and approves the Additional Mortgage Recording Tax Exemption Benefit as set forth above.

*Draft Resolution*

- Section 4. An extension of time through May 1, 2023, as may be determined by the Chair of the Agency, to provide for the implementation of such additional benefits are hereby authorized and approved.
- Section 5. Amendments to the Project Agreement consistent with this resolution are hereby authorized and approved.
- Section 6. The Chair Person and Vice-Chair of the Agency each are authorized, consistent with this resolution, to execute and deliver documentation reasonable or necessary.
- Section 7. The effectiveness of this resolution is conditioned upon the Company agreeing to pay reasonable fees and expenses of the Agency, including counsel to the Agency.
- Section 8. Subject to the condition set forth in Section 7, this resolution shall take effect immediately.

That I have compared the annexed extract of minutes of the meeting of the City of Poughkeepsie Industrial Development Agency (the "Agency"), including the resolutions contained therein, held on June 7, 2022, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY, that there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolutions are in full force and effect and have not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency  
this day of June, 2022.

By: \_\_\_\_\_  
Vincent Pedi  
Secretary

# The City of Poughkeepsie

## INDUSTRIAL DEVELOPMENT AGENCY

April 26, 2022

5:30PM

### SPECIAL MEETING MINUTES

Attending: Rose Graziano-Moffett, Randall Johnson, Vincent Pedi, and Matthew Diggins

Absent: None

Staff: None

1. The IDA meeting was called to order by Rose Graziano-Moffett at 5:30pm.
2. Agenda Approval: Motion by Vincent Pedi, Seconded by Randy Johnson and all voted in favor.
3. Public Comment: None
4. Resolution: Authorizing an Additional Mortgage Tax Exemption in Connection with 160 Union Holdings LLC: Motion by Rose Graziano-Moffett, Seconded by Randy Johnson. Voted in Favor: Rose Graziano-Moffett, Randy Johnson, Vincent Pedi. Abstained: Matthew Diggins, due to lack of information. Resolution passes 3-0-1.
  - Matthew Diggins: Raised concerns over the short notice the IDA received per this request, also asked that in the future Developers make themselves available at meetings to answer any questions.

5. Adjourn Meeting: Motion by Rose Graziano-Moffett, Seconded by Vincent Padi and all in favor. Adjourned at 5:48pm.