

CITY OF PEEKSKILL INDUSTRIAL DEVELOPMENT AGENCY
2017 ANNUAL REPORT
Operations and Accomplishments
January 1, 2017 – December 31, 2017

Operations

The City of Peekskill Industrial Development Agency (the “Agency”) is governed by a seven member board consisting of residents of the City of Peekskill. Appointments are made by the Mayor and Common Council of the City of Peekskill. The Agency is staffed by City of Peekskill personnel including the City Manager serving as Executive Director, Chief Executive Officer and Contracting Officer, Deputy Comptroller as Treasurer and Chief Financial Officer, Loan Officer as Deputy Director, and Secretary to the Corporation Counsel as Acting Agency Secretary and FOIL Officer. The staff of the Agency also staffs the City of Peekskill Local Development Corporation and the Peekskill Facilities Development Corporation.

The Agency offers four basic forms of financial assistance that include: (1) mortgage recording tax exemption, (2) sales and use tax exemption, (3) real property tax abatement, and (4) interest rate savings via tax-exempt financing. The Agency does not loan money directly to private companies. The Agency has the power to issue taxable or tax-exempt bonds. These non-recourse bonds are not an obligation of the sponsoring community or state or its tax payees but rather are backed solely by the credit rating of the company.

The operation of the Agency is financed with fees received from bond and straight lease transactions, and interest earned from such funds.

During this reporting period, the Agency members and staff held meetings to review existing policies, approve the annual budget and annual report, hold committee meetings, and file reports as required by the New York State Authority Budget Office.

Accomplishments

The following is a summary of the Agency’s activities during 2017:

New Projects:

Project Name:	DP 49 LLC
Project Location:	5 John E. Walsh Blvd., Peekskill, NY 10566
Project Type:	Improvements to 5 John E. Walsh Blvd. to provide for a multi-tenanted commercial and retail facility and marina complex
Financial Assistance:	Mortgage recording tax and sales tax exemption
Total Project Cost:	\$2,940,000
Applicant:	DP 49, LLC, 333 North Bedford Road, Mount Kisco, New York 10549.
Summary:	The project closed on May 11, 2016. During 2017, the multi-functional event space, The Factoria, was completed. The Factoria is home to River

Outpost Brewing Company craft brewery, Fin & Brew restaurant, an event space, a full service kitchen, and a 40,000 square foot entertainment center, Spins Hudson. Spins Hudson includes an indoor and outdoor aerial ropes course, which includes more than 70 elements, from monkey bars and zip lines to balance beams activities, two story laser tag, shuffleboard, bocce, and a 5,000 square foot arcade.

Project Name: Fort Hill Peekskill LLC
Project Location: 17 acres of real property located on and adjacent to Saint Mary's Street, Peekskill, NY 10566
Project Type: Commercial market rate apartment complex, hotel facility, spa and restaurant facility
Financial Assistance: Mortgage recording tax and sales tax exemption, and payment-in-lieu of tax agreement
Total Project Cost: \$65,538,000.00
Applicant: Fort Hill Peekskill LLC, 100 Summit Lake Drive, Valhalla, New York 10595.
Summary: The project consists of renovations to existing buildings and new construction for the development of an approximately 41-room hotel facility, spa and restaurant facility and construction of 178 residential apartment units. The Agency approved this project on December 20, 2016. The Applicant and the Agency entered into an Agent Agreement on December 30, 2016 for sales tax purposes. The Applicant secured a \$45,445,000 loan from Santander Bank, NA to construct the initial apartment's phase of the project, which entails 178 apartments within 3 mid-rise buildings on 8.931 acres of land. As part of this closing that occurred on Jun3 29, 2017, the Agency provided mortgage recording tax exemptions and a PILOT Agreement. Anticipated occupancy for the apartments is late spring 2018.

Other:

During 2017:

- On April 25, 2017, the Agency extended the contract with Lewis C. Wendell, d/b/a Wendell & Associates to provide additional professional services to the Agency through July 2017. Services included developing content for a new Agency website, studying issues associated with the State's multimedia tax credits, meeting with multi-media representatives in Peekskill, developing an inventory of vacant and underused commercial space in the City, identifying major multimedia industry niches, meeting with developers and City staff, and preparing a marketing budget for the Agency.
- On November 29, 2017, the Agency extended the contract with Lewis C. Wendell, d/b/a Wendell & Associates to provide additional professional services to the Agency through May 2018. Mr. Wendell will continue to supervise implementation of the new Agency

website, work with stakeholders to develop the tourism economy, develop and begin implementation of the proposed Agency marketing budget, pursue new business recruitment, and continue to assist with multi-media efforts.

- The Agency solicited proposals for a new website. On September 26, 2017, the Agency accepted the proposal from Safe Cloud Studios as the lowest responsible bidder to create the Agency's new website.
- At the site of the Lower South Street properties, the City successfully secured an award from the New York State Department of Environmental Conservation (NYSDEC) for Brownfield Clean Up contracts on five of the seven parcels. With support from the Agency, the final Remedial Work Plan (RWP) and Alternatives Analysis (AA) was completed by Chazen Engineering and submitted to the NYSDEC December 2016 for approval. The RWP/AA was approved by the NYSDEC on November 22, 2017. The City's Economic Development Specialist is in the process of marketing these properties to developers.