

CITY OF PEEKSKILL INDUSTRIAL DEVELOPMENT AGENCY
2018 ANNUAL REPORT
Operations and Accomplishments
January 1, 2018 – December 31, 2018

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.

New Project Activity:

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 June 29, 2017, the Agency provided mortgage recording tax exemptions and a PILOT Agreement. The apartments began leasing during 2018. A closing was held on September 11, 2018 for mortgage tax exemptions and a PILOT Agreement for the second phase of this project. The second phase includes the adaptive re-use of the former St. Mary's Convent and Chapel into an approximately 41 room hotel (The Abby at Fort Hill Inn), restaurant and spa. The renovations for the spa, hotel and restaurant are expected to be complete during 2019.

Accomplishments

The following is a summary of the Agency's activities during 2018:

- The Agency sponsored and participated in AIM '18. AIM '18 was a weekend-long series of activities created to celebrate the lower Hudson Valley's emergence as a thriving hub of multimedia creativity and commerce. AIM '18 was coordinated under the auspices of the Hudson Valley Gateway Chamber of Commerce, which has formed a new committee, branded AIM – symbolizing Peekskill's affinity for synergizing Art, Industry and Media.
- 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. The Agency again extended the contract with Mr. Wendell through September 2018. During 2018, Mr. Wendell continued to supervise implementation of the Agency's new website, worked with stakeholders to develop the tourism economy, pursued new business recruitment, and continued to assist with multi-media efforts.
- The Agency and the City of Peekskill jointly issued a Request for Proposal for Public Relations Consulting individuals and/or firms to provide public relations, marketing and communications services for the benefit of the City and Agency. The Agency and the City selected Co-Communications, Inc. to provide the intended services. The board authorized the joint engagement of Co-Communications with the City for the year 2019.
- The Agency accepted an Application for Financial Assistance from Bre and Co. LLC (the "Company") for a project located at 135 N. Water Street. The Agency authorized financial assistance to the Company in the form of a sales and use tax exemption for the purchases and rentals related to the acquisition, construction, reconstruction, renovation and equipping of the Project. As of February 22, 2019, the Company has not moved forward with the Agency benefits approved on June 26, 2018.