

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

One Hudson City Centre, Suite 301

Hudson, New York 12534

Tel: (518) 828-4718

Fax: (518) 828-0901

April 2, 2026

Matt B. Murell, Chairman  
Columbia County Board of Supervisors  
401 State Street, Office Building  
Hudson, New York 12534

Marie Digirolamo, Superintendent  
Ichabod Crane Central School District  
2910 Route 9  
Valatie, New York 12184

Tim Ooms, Supervisor  
Town of Kinderhook  
P.O. Box P  
Niverville, New York 12130

Matthew Nelson, Board President  
Ichabod Crane Central School District  
2910 Route 9  
Valatie, New York 12184

Mindy Potts, District Clerk  
Ichabod Crane Central School District  
2910 Route 9  
Valatie, New York 12184

RE: Proposed Deviation from Uniform Tax Exemption Policy by  
Columbia County Industrial Development Agency  
in connection with its Proposed Blue Spruce Apartments LLC Project

Dear Ladies and Gentlemen:

This letter is delivered to you pursuant to Section 874(4)(b) of the General Municipal Law.

In March, 2026, Columbia County Industrial Development Agency (the "Agency") received an application (the "Application") from Blue Spruce Apartments LLC (the "Company"), which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project to consist of the following: (A) (1) the acquisition of an interest in two parcels of land containing in the aggregate approximately 9.1 acres located at 3083 US Route 9 (Tax Map No.: 23.-1-36) and 3093 US Route 9 (Tax Map No.: 23.-1-37) in the Town of Kinderhook, Columbia County, New York (collectively, the "Land"), together with approximately two (2) existing buildings containing in the aggregate approximately 34,325 square feet of space located thereon (collectively, the "Facility"), (2) the renovation of the Facility and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other personal property (the "Equipment") (the Land, Facility and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to constitute approximately 52 housing units and any other directly or indirectly related activities to be owned and operated by the Company; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial

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Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

In connection with the Application, the Company has made a request to the Agency to enter into a payment in lieu of tax agreement (the “Proposed Pilot Agreement”) which terms would deviate from the Agency’s Uniform Tax Exemption Policy (the “Policy”). Capitalized terms not otherwise defined herein are defined in the Policy.

The Proposed Pilot Agreement would provide that the Company be granted a ten (10) year payment in lieu of tax agreement on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law. Under the terms of the Proposed Pilot Agreement, the Company will pay payments (the “Pilot Payments”) to each Affected Tax Jurisdiction as follows:

Year	Tax Payment
1	\$56,576
2	\$58,862
3	\$65,506
4	\$73,831
5	\$82,723
6	\$92,212
7	\$102,334
8	\$113,122
9	\$124,615
10	\$136,853

The Proposed Pilot Agreement is expected to begin in 2028 based on the current expected construction completion date of the Project.

The Pilot Payments will be allocated to Columbia County, the Village of Valatie, Town of Kinderhook and the Ichabod Crane Central School District pro rata, based on their respective tax rates during the first year of the Proposed Pilot Agreement. The pro rata allocation will remain unchanged during the term of the Proposed Pilot Agreement.

The terms of the Proposed Pilot Agreement deviate from the Agency’s Policy. The Policy provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: a 50% abatement in real property taxes on the Project Facility in year one of the payment in lieu of tax agreement with a 5% per year decrease in such abatement over a ten (10) year term.

The purpose of this letter is to inform you of such Pilot Request and that the Agency is considering whether to grant the Pilot Request and to approve a Proposed Pilot Agreement conforming to the terms of the Pilot Request. The Agency expects to consider whether to approve the terms of the Proposed Pilot Agreement at its meeting scheduled for May 5, 2026 at 8:30 o’clock a.m., local time at the offices of the Agency located at One Hudson City Centre, Suite 301 in the City of Hudson, Columbia County, New York (the “Meeting”). This letter is forwarded to you for purposes of complying with Section 874 of the General

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Municipal Law of the State of New York, which requires a thirty (30) day notice prior to the Agency taking final action with respect to the Proposed Pilot Agreement (if said Proposed Pilot Agreement may deviate from the provisions of the Agency's Uniform Tax Exemption Policy).

The Agency considered the following factors in considering the proposed deviation:

1. **The nature of the Project:** Renovation of two existing buildings on the property into 52 housing units.
2. **The present use of the property:** two existing buildings currently consisting of apartments and a motel.
3. **The economic condition of the area at the time of the request of the Company and the economic multiplying effect that the Project will have on the area:** Columbia County is facing a persistent housing shortage and affordability crisis. Labor force growth is restrained by aging demographics and high housing costs that limit the ability of workers to live locally. Residents are also challenged by increasing costs and taxes. The Project will generate several positive multiplier effects, including an immediate creation of temporary construction jobs and wages during the renovation phase, along with increased demand for local building materials and services, supporting regional suppliers and contractors. It will also result in increased local spending by the 52 new households at local businesses (groceries, retail, dining). It will also provide much needed workforce housing that allows local employers to attract and retain staff who might otherwise be priced out of Columbia County.
4. **The extent to which the Project will create or retain permanent, private sector jobs and the number of jobs to be created or retained and the salary range of such jobs:** Creation of approximately two (2) part-time equivalent jobs with a salary range of \$30 to \$40 an hour. In the first year of construction, the Company is anticipating 16 construction jobs.
5. **The estimated value of new tax exemptions to be provided:** Sales tax exemption benefit of approximately \$200,000, mortgage recording tax benefit of approximately \$65,625 and real property tax exemption benefit of approximately \$281,791.
6. **The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions:** The Proposed Pilot Agreement will result in long-term growth of the tax base revitalization of currently underutilized properties.
7. **The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity:** A significant positive impact is expected given the investment by the Company and the anticipated multiplier effect.
8. **The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement:** approximately \$7,000,000.

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**9. The effect of the Proposed Pilot Agreement on the environment:** No adverse environmental impact is expected based on the SEQRA.

**10. Project Timing:** The Project is expected to be completed within one year from commencement of construction.

**11. The extent to which the Proposed Pilot Agreement will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services:** No additional services shall be required.

**12. Anticipated tax Revenues:** In addition to the increased Real Property Tax revenues resulting from this \$7 million investment. In addition, increased sales tax will be generated over the future life of the project generated from local purchases by the 52 additional households.

**13. The extent to which the Proposed Pilot Agreement will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the Project Facility is located:** Property value uplift: investment in renovation of existing buildings on the property into 52 housing units will help raise surrounding property values and incentivize further development.

The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Agency's Uniform Tax Exemption Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Agency's Uniform Tax Exemption Policy. In accordance with Section 874 of the General Municipal Law, prior to taking final action at the Meeting, the Agency will review and respond to any written comments received from any affected tax jurisdiction with respect to the proposed deviation. The Agency will also allow any representative of any affected tax jurisdiction present at the Meeting to address the Agency regarding the proposed deviation.

If you have any questions or comments regarding the foregoing, please do not hesitate to contact me at the above telephone number.

Sincerely yours,

/s/ F. Michael Tucker  
F. Michael Tucker  
Chief Executive Officer