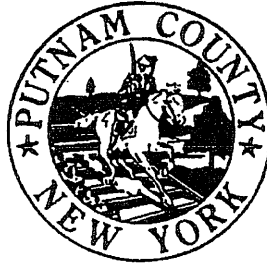


THE PUTNAM COUNTY LEGISLATURE

40 Gleneida Avenue
Carmel, New York 10512
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Paul E. Jonke *Chairman*
Amy E. Sayegh *Deputy Chair*
Diane Schonfeld *Clerk*
Robert Firriolo *Counsel*



| | |
|-------------------|---------|
| Nancy Montgomery | Dist. 1 |
| William Gouldman | Dist. 2 |
| Toni E. Addonizio | Dist. 3 |
| Ginny Nacerino | Dist. 4 |
| Greg E. Ellner | Dist. 5 |
| Paul E. Jonke | Dist. 6 |
| Joseph Castellano | Dist. 7 |
| Amy E. Sayegh | Dist. 8 |
| Erin L. Crowley | Dist. 9 |

AGENDA
ECONOMIC DEVELOPMENT & ENERGY COMMITTEE MEETING
TO BE HELD IN ROOM #318
PUTNAM COUNTY OFFICE BUILDING
CARMEL, NEW YORK 10512

Members: Chairman Ellner, Legislators Addonizio & Crowley

Wednesday

November 15, 2023

(Immediately Following the Protective Meeting at 6:30PM)

- 1. Pledge of Allegiance**
- 2. Roll Call**
- 3. Acceptance of Minutes – July 24, 2023 & August 16, 2023**
- 4. Discussion/Update/Putnam County Industrial Development Agency Workforce Policy/IDA Chairman Bill Nulk**
- 5. FYI/Unemployment Report**
- 6. Other Business**
- 7. Adjournment**

#3

**ECONOMIC DEVELOPMENT AND ENERGY COMMITTEE MEETING
40 Gleneida Avenue Room #318
Carmel, New York 10512**

Committee Members: Chairman Ellner and Legislators Addonizio & Crowley

Monday

July 24, 2023

The meeting was called to order at 6:15pm by Chairman Ellner who requested Legislator Addonizio lead in the Pledge of Allegiance. Upon roll call Legislators Addonizio, Crowley and Chairman Ellner were present.

Item #3 – Acceptance of Minutes – June 21, 2023

Chairman Ellner stated the minutes were accepted as submitted.

Item #4 – Discussion/Update/Putnam County Tourism/Tourism Director Tracey Walsh

Chairman Ellner invited Tourism Director Tracey Walsh to speak to the issue.

Tourism Director Tracey Walsh introduced her intern from the PILOT (Putnam Invests in Leaders of Tomorrow) Internship program, Nate Wolf. She stated Mr. Wolf is doing a great job, and thanked the Legislature for the PILOT program.

Legislator Montgomery thanked PILOT Intern Nate Wolf for his work and wished him luck in his academic pursuits. She stated the PILOT program is very important.

Director Walsh stated she will provide an update on what is going on around the County. She stated Upstate Art Weekend just concluded, which took place on the west side of the County. She stated this was the fourth year Upstate Art Weekend took place, and the County had not really had an active role in it previously. She stated the opening this year was hosted at Magazzino Italian Art in Cold Spring, with over 300 people in attendance. She stated other County participants included the Garrison Art Center, the Hudson Valley Shakespeare Festival, Manitoga, and Studio Tashtego. She stated the Cold Spring Trolley shuttled people from the Cold Spring Metro-North station, and it went very well. She stated the Hudson Valley Shakespeare Festival is in its second year, and because of its proximity to the Garrison restaurant, now offers price-fixed dinners and cocktails on-site. She stated they were awarded \$10,000,000 from the New York State Council on the Arts (NYSCA). She stated Magazzino Italian Art is also preparing for the opening of a new space called the Robert Olnick Pavilion, which would be open to the public on September 14th, 2023. She stated there would be a celebration for the opening on September 10th, which the Legislature would be invited to. She stated the new building will provide an additional 13,000 square feet of exhibition space to Magazzino, which would include a multi-purpose room, an auditorium, and a café. She stated this weekend would feature the Putnam County Country Fest and 4-H Showcase, which she stated the Legislature was also invited to. She stated the County was in a supportive role in helping to organize this event. She stated more vendors would be present this year than before.

She stated the County's service organizations would be present as well. She stated the Massaro House in Mahopac has been up and running for seven (7) weeks and has been a big success. She stated she has been in talks for finding out how to get tourists to stay and eat at both the Massaro House and other restaurants in Mahopac. She stated the inaugural tour for Cycle the Hudson Valley would be going through Carmel on the night of August 3rd, 2023. She stated there would be 275 riders and staff. She stated the organization contracted with the Paladin Center for glamping grounds. She stated they also hired two tour buses, one (1) with a route through Carmel, and another through Cold Spring, incentivizing riders to eat, stay, and shop in the County. She stated she hoped Cycle the Hudson Valley would go through the County every year. She spoke to various attractions in Brewster which were currently open to the public, specifically Green Chimneys, the Boni-Bel Farm Store, the Brewster Summer Music Series, the Hudson Valley Blues Society performing at the Studio Around the Corner, and the Uncle Cheef music venue. She spoke to various attractions in Patterson, specifically the new boardwalk over the Great Swamp, the steel bridge over the bike path in the Towners area, Iron and Wine restaurant, and the Patterson Library's outdoor programs. She stated despite a lack of tourism in Putnam Valley, it was currently hosting filming for the film *Companion*, which is a joint project between the Tourism Department, Industrial Development Agency (IDA) and Economic Development Corporation (EDC). She stated it is a 7-million-dollar production shot mostly on private property, and partly on the Durland Scout Reserve. She stated the film's production is staging its trucks and trailers in Putnam Valley, and is paying the town for it, as well as using local caterers. She stated there were issues with the Cold Spring Trolley schedule, as Metro-North changed its train schedule. She stated a new Trolley schedule is being distributed throughout the village, and it seems to be going well based on feedback from shop owners in the area. She stated she knew that IDA Board Chairman Bill Nulk reported on the Alexandrion project in June, which is still moving forward. She stated she met regularly with Chairman Nulk and EDC President Kathleen Abels to make sure they are acting in sync regarding certain projects. She stated she looked forward to getting back to the Committee in the future regarding the Film Putnam Project, as she is working on a fee schedule which she wished to get into the County Code.

Chairman Ellner thanked Director Walsh for her presentation and her hard work.

Legislator Addonizio thanked Director Walsh and expressed excitement about the filming of the *Companion* movie.

Director Walsh stated there have been location scouts looking at Mahopac for shooting a film written by someone who spent weekends in Mahopac growing up. She stated it was common for films shot in Putnam County to have very small budgets, and so *Companion* was a welcome change of pace.

Legislator Crowley spoke to her enthusiasm at seeing events taking place in the County, as well as her enthusiasm at the new ideas being brought by Director Walsh and thanked her for her hard work.

Director Walsh stated she tried to find a way to use the Trolley in each town to make it more visible and useful, with her giving examples of it being used for limited times in Carmel Hamlet

and Kent. She requested the Legislature keep her in mind if they had an idea for how to use the Trolley.

Chairman Ellner facilitated further discussion.

Legislator Sayegh questioned what efforts were being taken to advertise the County's farmers' markets.

Director Walsh stated the farmers' markets are being advertised on social media, in the field guide, and a list of all of them is sent to whoever asks about them. She stated there were also efforts to let people know whenever there is a location change.

Legislator Montgomery thanked Director Walsh for her efforts, and spoke to additional development projects being funded by New York State, as well as her enthusiasm toward the Hudson Valley Shakespeare Festival and the Tompkins Corners Cultural Center.

Director Walsh stated she did an information session with EDC President Kathleen Abels on Consolidated Funding Application (CFA) grant funding. She stated there were forty (40) people in attendance from different venues, who were filling out applications. She stated she hoped that would bring more funding into the County's programs.

Legislator Montgomery questioned what Director Walsh meant when she mentioned trying to codify a fee schedule for the filming of *Companion*, particularly if she meant there would be new County fees on top of the Town fees that already have to be paid.

Director Walsh stated no it would not. She stated the Tourism Department was hoping to discuss codifying County properties. She stated the fees being paid to Putnam Valley were going to Putnam Valley. She stated the Tourism Department was hoping to streamline the process for filmmakers to gain permission to film in particular towns. She stated there was an individual who was frustrated by the process for getting permission to film in the County. She stated the Tourism Department was trying to improve in terms of collecting information. She provides an example of this with the County website providing a redirect to the webpage of individual Town Clerks for people who wish to film in a given Town. She stated there was a hope that prospective film crews would fill out a form to provide information to the Tourism Department. She stated since some Town Clerks do not share information with the Tourism Department, they do not have a full accounting of what is going on where in the County. She stated there was a need for a specific set of County fees. She stated there is a business who wants to have a qualified production facility.

Legislator Montgomery stated her belief that the County was primed for an influx of filming opportunities due to the presence of facilities which contributed toward filmmaking in the area surrounding the County.

Item #5 – Approval/Payment In Lieu Of Taxes (PILOT) Agreement/Brewster Industrial Owner, LLC Project/Putnam County Industrial Development Agency

Chairman Ellner invited IDA Board Chairman Bill Nulk to speak to the issue.

IDA Board Chairman Bill Nulk stated the IDA originally asked for a PILOT based on the original proposal of Brewster Industrial Owner, LLC (BIO). He stated at the public hearing, the Brewster Central School District said they would not accept the PILOT, since it did not qualify under their policy. He stated the IDA then went back and issued a sales tax exemption in February, so that the BIO facility could begin to be built without a PILOT. He stated BIO would do a PILOT if the taxing entities, namely the County, the Town, and the school district, all agreed on the PILOT. He stated BIO developed a new PILOT, which they wished to propose tonight.

Chairman Ellner requested Chairman Nulk introduce the gentlemen who were with him.

IDA Chairman Nulk introduced Attorney for BIO Daniel Tartaglia and Lincoln Equities Group (LEG) Senior Director of Development Bob Schenkel.

BIO Attorney Daniel Tartaglia stated LEG is the managing partner of BIO. He stated LEG was currently working on two development projects, one in Rockland County, and the other in Putnam County. He stated the project in Rockland is smaller and was advanced faster than the one in Putnam, and that it received a PILOT lasting 15 years there. He stated the reason 15 years was asked for was partly because of a change in the marketplace regarding the type of project being developed, specifically a transportation, distribution, and logistics center. He stated demand for this type of development rose with the popularity of online shopping. He stated projects built on spec were atypical for the IDA to consider. He stated the IDA typically only considered projects which were either owner-occupied or had tenants already. He stated the IDA was willing to consider the project because of the significant economic impact it would have on the County, as did the Rockland IDA. He stated the reason for the extended PILOT period was because there would be a period of time where there would be building, and very few tenants, if any. He stated it was estimated that it would be around 2 years or less before the project would stabilize. He stated LEG's request for a PILOT was a means of being upfront with the County regarding the development project, rather than dealing with taxes as their development progressed. He spoke to the merits of the project, specifically that it would introduce \$192,000,000 worth of development to the County for a facility larger than 900,000 square feet, and with many permanent employees. He stated the IDA agreed to the proposal. He stated when the area the development would take place on was purchased by LEG, it was already approved for the development of a large number of single-family homes, which would grow the number of schoolchildren in the Brewster Central School District. He stated the cancellation of that project was a boon to the school district, as it would keep the number of children they would need to accommodate from growing. He stated this was communicated to the school district, and that they found the prospect attractive. He stated as part of the approval process, there was a requirement for the contribution of a 5-acre parcel of land that would be given to the County. He stated the process for handing over this land was being worked on with County Attorney's Office. He stated LEG is also making significant offsite improvements along Pugsley Road and

New York State Route 312, including traffic interchanges and road widening. He stated because of the way the land was acquired, LEG did not seek mortgage tax benefits, paying almost \$2,000,000 in mortgage taxes as a result prior to applying for PILOT benefits. He stated the benefits the project was looking for were sales tax benefits, which have been helpful due to the steep rise in prices of construction materials, such as steel, that occurred between the time the property was acquired, and development began. He stated there were very large fees paid to the Town of Southeast of almost \$900,000, for inspections fees, among others. He stated there was initially a 15-year PILOT plan, but the School District stated they could only approve projects which have a maximum PILOT of 10 years, and which have a certain percentage of tax discounts which are in line with Section 485B of the Real Property Tax Law. He stated the policy of the Southeast Town Board is the same as the County Board. He stated as a result, the 15-year deal was taken off the table.

IDA Chairman Nulk stated the IDA's universal tax-exempt policy contains a schedule prescribed by Section 485B, but that exceptions are allowed if they meet certain qualifications. He stated the IDA is still in favor of the project, as well as a deviation from Section 485B if it is necessary, which it is in this case.

BIO Attorney Tartaglia stated his belief the school district was merely unsure of the consensus among the County Legislature and the Southeast Town Board regarding whether the exception applied or not. He stated the PILOT schedule was then reduced from 15 years to 12 years, and changed the discount schedule to match Section 485B. He explained that the first two (2) years of the PILOT would offer no tax discounts, and years three (3) through 12 would contain the exact tax schedule prescribed by Section 485B. He stated this was done so that the first two years, when the project will probably not have tenants or be stabilized, would see PILOT payments paid just on improvements, with no income. He stated by year three (3), the project would be stabilized, and that was when the schedule would kick in.

IDA Chairman Nulk stated a common misunderstanding about PILOTs was that it does not involve the IDA giving LEG a 50% reduction in their total taxes, but only in the percentage of improvement in the assessment.

Chairman Ellner questioned if the resolution before the Committee meant not a 0% tax on the development, but a 0% tax discount in the first two years.

BIO Attorney Tartaglia answered in the affirmative to Chairman Ellner's question. He stated that because there were no stabilized tenants in place, if the PILOT was plugged into a 10-year schedule, then year 1 would have possibly no tenants when the development would be getting the largest benefit. He stated if there were tenants in place, they would only need a 10-year PILOT. He stated further having the largest tax benefits in place when the development had no tenants would be counterproductive and would hurt its ability to attract tenants in the future. He stated they possessed slides which could provide more information to the Committee.

LEG Director Schenkel presented the slides, and described their contents. The slides showed that the development would be two buildings, one being 618,000 square feet large, and another

being 303,000 square feet large. He stated the buildings were being built on Pugsley Road, a road off of New York State Route 312, which was formerly a gravel path, and is now being turned into a paved road. He stated each building would have a traditional warehouse design, and disagreed that it was a given that Amazon would be working there. He stated the warehouses were a tremendous investment, and they would generate many new jobs to the area. He stated this project was built on spec, differing from previous projects he had worked on when these developments were in high demand. He stated businesses are currently slow to make major capital decisions, and wish to see projects finished before they invest in them. He stated there would be ten (10) improvement offices on campus, in order to increase the ease with which businesses set up shop there. He stated the development would not be far from Interstate 84. He noted the 5-acre piece being given to the County. He stated this area of land was at the corner of Pugsley Road and 312, next to Tilly Foster Farm. He stated the development was one of the larger economic development projects in the region. He stated the school district was the biggest beneficiary of the project as there is no addition of school children. He echoed Mr. Tartaglia's statement that the PILOT was for the purpose of stabilizing assets. He stated the first building was constructed, while the second building is under construction. He stated potential tenants were currently being marketed to. He stated potential tenants want to see the project finished before they invest.

BIO Attorney Tartaglia stated potential tenants also wanted to know what the taxes would be.

LEG Director Schenkel agreed, and stated 10 years was a comfortable schedule for potential tenants.

Chairman Ellner questioned what Mr. Schenkel estimated the number of tenants would be.

LEG Director Schenkel stated the development was being designed such that two (2) tenants would be in the smaller building, while three (3) tenants would be in the larger building. He clarified that this meant designing potential storefronts and entrances for tenants based on the number that would be in the buildings.

Chairman Ellner stated he knew someone in the logistics business with freeport designation. He questioned if there were any advantages in that designation for this development.

LEG Director Schenkel stated he did not know.

Chairman Ellner facilitated further discussion.

Legislator Addonizio questioned IDA Chairman Nulk if the IDA was currently in compliance with their local labor policy.

IDA Chairman Nulk stated the current development and the third expansion project for Ace Endico were the first projects that the IDA had written a labor policy into. He stated both projects still need to get their paperwork in order, and that they have been given two weeks to comply. He stated the labor policy was new to the IDA, and so the process for labor management had yet to be streamlined.

Legislator Addonizio questioned if the difficulty in completing the labor audits came from the size of the development projects.

IDA Chairman Nulk stated labor audits simply never came up before.

Legislator Addonizio questioned if the goal was to have 30% of all project employees reside in Putnam County, and another 40% of all general project employees, such as contractors and sub-contractors, live in counties adjacent to Putnam.

IDA Chairman Nulk answered it is the goal. He stated the concept for employee residence would put Putnam first, then the surrounding region, and then elsewhere in New York State if necessary. He stated there was technical work which needed to be done for the project that could not be sourced from the County or the region, and so specialists had to be brought in from outside. He stated some people working on the pipes for the Gleneida Distillery are from outside the region.

Legislator Addonizio questioned if this meant the IDA was in compliance.

IDA Chairman Nulk stated the IDA was getting into compliance because they were establishing a new process.

Legislator Addonizio questioned if the IDA would know if it was in compliance by the next Full Legislative meeting.

IDA Chairman Nulk the IDA probably would not be in compliance by then, but it might be.

BIO Attorney Tartaglia stated the general contractor was a national building company named ARCO. He stated early on in the process, ARCO asked what the workforce policy was. They received a copy of the workforce policy, which was only adopted in 2021, which was why it was new for the IDA to get into compliance with it. He stated ARCO was aware of what the policy is. He stated ARCO did not have on-site records when the IDA made their first visit, but has them now, and had given them to him in anticipation for tonight's meeting. He stated the numbers from the records showed that over 62% of employees have been from the local area. He stated this was well within the 40% workforce limitation, and that he was not concerned that the development would be out of compliance at any point.

Chairman Ellner questioned if only private funds were being used for this project.

BIO Attorney Tartaglia stated this was the case.

Legislator Crowley questioned IDA Chairman Nulk if he was looking for someone to take charge of enforcing labor policy compliance.

IDA Chairman Nulk stated the IDA Board was trying to make a decision regarding whether that responsibility would go to an agency that the IDA would work with, or to an individual that the IDA would hire.

Legislator Jonke stated the project was in his district, and he was in full support of both it and the PILOT. He stated his belief that this kind of commercial growth should be encouraged all throughout Putnam County. He stated he spoke with Victor Karlsson, the business administrator for the Brewster Central School District. He stated they were hesitant to move forward with the project before another municipality moved forward with it, which was why he was glad the project was before the County Legislature tonight. He stated when he became the Assessor of Southeast in 1993, Southeast Supervisor Doug Scolpino took him for a drive to the property being discussed and that there were over 300 residential houses proposed for the development. He stated the property had a long history, and that the best outcome was what was in front of the Committee tonight. He stated these types of projects should be encouraged because the County is in competition with Rockland, Westchester, and Dutchess Counties, as well as Connecticut. He stated each of these jurisdictions had tax incentive policies in place, which was why Putnam has the IDA and PILOT tool in place. He restated his full support for the project.

IDA Chairman Nulk stated a large portion of the property had been set aside for non-development.

LEG Director Schenkel stated over 100 acres had been set aside for non-development.

Legislator Montgomery questioned if there was a conservation easement placed on the area.

LEG Director Schenkel stated no, and they were prohibited from building on it due to limits of disturbance.

Legislator Montgomery questioned if the area of land was a preserve.

LEG Director Schenkel stated it is.

BIO Attorney Tartaglia stated the restriction on developing the land was baked into the land use approval. He stated because the IDA is currently entitled to the entire piece of land, one of the things the applicant is required to do is to separate the undeveloped land such that the IDA may only be entitled to the developed land, as a means of limiting liability.

Legislator Montgomery stated the 5-acre piece set aside for the County is unimproved, and the developers have already been through the planning board process, meaning there was no requirement to improve the land by that point. She stated the Legislature would then not impose that requirement on the developers. She stated it was often on large parcels of land that the Legislature would give the land set aside for the County back to the developer so that they may also improve it, such as by making it into a park. She questioned if the developers received approval from the Town of Southeast for the PILOT.

BIO Attorney Tartaglia stated they had had their first meeting with the Town, but have not yet received approval.

Chairman Nulk stated they expected the Town to approve the PILOT the following Thursday night.

Legislator Montgomery stated her concern that the Labor Policy for the construction phase would not continue once there are tenants at the property.

BIO Attorney Tartaglia stated both labor policies were the same, as the labor policy being discussed was in place through the entire term of the PILOT.

Legislator Montgomery stated people which would be working in the warehouses would not be able to afford to live in the County, given the nature of the housing market and warehouse pay.

LEG Director Schenkel stated there were management jobs in the warehouses which paid well, as well as a stratification of salary structures in the works.

Legislator Montgomery questioned what the pay was for management jobs in the warehouse.

LEG Director Schenkel stated pay for management jobs was in the realm of six-figure salaries.

Legislator Montgomery questioned what the pay was for regular warehouse workers.

Cushman & Wakefield (C&W) representative Jane Orlin stated warehouse management salaries are currently ranging from \$65,000 to \$75,000 a year. She stated rank-and-file warehouse workers, such as forklift operators, would be paid in hourly wages ranging from \$22 to \$35 an hour. She stated this area had a higher compensation level, as well as benefits, stay bonuses, attraction bonuses, and training dollars, because of how competitive the labor market is in the area. She stated she has seen training workshops be used to attract prospective employees.

Legislator Montgomery stated Ms. Orlin had answered her question, and restated her concern for the ability of warehouse workers to live and commute in the area, given the lack of public transportation and affordable housing.

Ms. Orlin stated the County was a typical place for where warehouses would thrive, and that warehouse workers would be willing to commute 30 minutes to the workplace. She supported this statement by referring to ZIP code analyses performed by C&W. She stated this was desirable, because longer commutes meant that workers would be incentivized to spend money within the County, be it for ordering lunch or buying groceries for their families. She stated this resulted in terrific returns on investment in the past.

Legislator Montgomery stated she was glad to hear C&W had that data, and thanked Ms. Orlin for her contribution.

Ms. Orlin stated the Legislature was very fortunate to have this opportunity.

Chairman Ellner questioned what the projected number of jobs was for the development.

LEG Director Schenkel stated the number varied depending on tenants. He stated it could be hundreds of jobs, and those jobs could range to include any number of shifts.

Legislator Sayegh stated her full support for the development, the PILOT, and the investment opportunity for the County. She questioned the developers if they would be paying more taxes in a 10-year PILOT as opposed to the 12-year PILOT being discussed.

BIO Attorney Tartaglia stated that depended on whether the assessment number came in for the first two (2) years, but did say it was likely the development would be paying less taxes than occupied buildings.

Legislator Sayegh questioned if this meant that the difference in those two (2) years meant there would be less sales tax being paid.

BIO Attorney Tartaglia stated there was a net-zero decrease in taxes paid which was built into the formula. He stated the County would be receiving taxes on the land value now, and would never receive less than that.

Legislator Sayegh stated the purpose of PILOTs was to attract tenants.

LEG Director Schenkel stated they would have sought a 10-year PILOT if they had tenants in place, and stated the purpose of the first two (2) years was to attract tenants before the greatest tax benefits would take effect.

Legislator Addonizio questioned if PILOTs had been accepted when labor audits had not been completed.

Chairman Nulk stated the PILOT would have normally already been accepted, and that this was the first time an audit like this had been done. He stated it would be part of the normal process of managing PILOTs, and that these audits would be done continuously over the term of the PILOT, 12 more years in the case of the development in question.

Legislator Crowley questioned how often the IDA was required to report to the Committee on audits, complaints, and the progress of the development.

Chairman Nulk stated the IDA was never given that information and stated that was up to the Committee to decide. He stated he was often available to answer the Committee's questions. He stated each year, the IDA supplied the information the Committee was asking for to the Public Authorities Reporting Information System (PARIS) report, which goes to the Office of the State Comptroller.

Chairman Ellner stated he asked Commissioner of Finance Michael Lewis to review the PILOT, and he was fully in favor of it.

Chairman Ellner made a motion to Approve/ Payment In Lieu Of Taxes (PILOT) Agreement/Brewster Industrial Owner, LLC Project/Putnam County Industrial Development Agency; Seconded by Legislator Addonizio. All in favor.

Item #6 – FYI/ Unemployment Report – Duly Noted

Item #7 – Other Business – None

Item #8 – Adjournment

There being no further business at 7:23pm, Chairman Ellner made a motion to adjourn; Seconded by Legislator Crowley. All in favor.

Respectfully submitted by PILOT Intern Eamon Howley.

#3

**ECONOMIC DEVELOPMENT AND ENERGY COMMITTEE MEETING
40 Gleneida Avenue Room #318
Carmel, New York 10512**

Members: Chairman Ellner, Legislators Addonizio & Crowley

Wednesday

August 16, 2023

(Immediately Following the Rules Meeting at 6PM)

The meeting was called to order at 6:31PM by Chairman Ellner who requested Legislator Addonizio lead in the Pledge of Allegiance. Upon roll call Legislators Addonizio, Crowley and Chairman Ellner were present.

Item #3 - Approval/Designation/County of Putnam/Tourist Promotion Agency

Tourism Director Tracey Walsh stated the issue at hand was routine annual business which is the first step in applying for the "I Love New York" funding, which is only provided to an official tourism agency. She stated the resolution has not changed from previous versions, outside of it being proposed in August instead of November. She stated this changed because New York State has now asked for the process to begin in early fall. She stated she was proposing it even earlier because she wanted to get it in before the budget meetings. She stated the application was sent in in October, the application would be accepted in early January, and then the funding would come in March.

Legislator Montgomery questioned if there were any other grants from New York State, which are separate from tourist promotion.

Director Walsh stated there were not. She stated Tourism does help businesses apply for other funding.

Legislator Montgomery stated neither Putnam County nor New York State provide funding to support the tourism industry, only to promote it. She stated more needs to be done to support the tourism industry, such as removing the garbage that tourism creates and more emergency services.

Director Walsh stated she appreciates Legislator Montgomery's concern, and mentions discussions she has had with Legislator Montgomery previously. She stated they try to get creative with ways to accommodate these concerns, such as through using QR codes to post warnings for certain trails.

Legislator Crowley stated recently the County purchased message boards. She questioned if that was something that could be used to save funding.

Director Walsh stated the message boards were not usable for this funding because the purpose of this grant is to promote tourism from outside the County.

Chairman Ellner questioned Legislative Council Robert Firriolo if he had found any issues with the resolution as it was written.

Legislative Counsel Robert Firriolo stated he did not, and reiterated Director Walsh's statement that the resolution was the same as previous versions.

Director Walsh stated the State would not allow the passage of a multi-year resolution. She thanked the Committee for their time.

Chairman Ellner made a motion to Approve/Designation/County of Putnam/Tourist Promotion Agency; Seconded by Legislator Addonizio. All in favor.

Item #4 - Discussion/Update/Putnam County Industrial Development Agency Workforce Policy/IDA Chairman Bill Nulk

Industrial Development Agency Board Chairman Bill Nulk stated the IDA had sent out letters to the two (2) projects in order to formally notify them that the IDA is requesting to inspect their documents. He stated this was the first step in what the IDA's workforce policy requires, as it would allow them to ensure that the projects are in compliance. He stated the projects would be given an opportunity to rectify non-compliance if they are found to not be in compliance. He stated if they failed to meet that deadline, then the IDA would decide what penalties the projects would incur. He stated the IDA was still working on establishing the policies, protocols, and paperwork needed to increase the ease with which the IDA enforces and applies this policy.

Chairman Ellner questioned what the timeline was for finishing this process.

IDA Chairman Nulk stated they told the projects to give their documents to the IDA within 10 days. He stated the IDA would need to assess the records, and one consideration would be to have the IDA's legal counsel review the documents. He stated it was not known how complicated the document review would be, as some projects funded by the IDA are more complicated than others. He stated the construction period for projects was the most complicated part of this policy for the IDA, as that was when multiple contractors and subcontractors were often involved with projects, as opposed to other periods which only involve one company, and any subcontractors are regular. He stated the IDA is still learning how to work with this policy.

Chairman Ellner stated the intent behind the tax abatements was to hire as local as possible, which was the main concern of the Committee regarding the compliance. He stated the guidelines for employment were that 30% should be from Putnam County, 40% should be from surrounding New York Counties, and 30% should be from everywhere else.

IDA Chairman Nulk emphasized that those employment guidelines were merely goals. He stated it was not guaranteed they would be reached exactly, due to issues with the type of personnel for hire in the County which are necessary to certain projects. He stated until the IDA gained an understanding of the employment resources in the County, the IDA would still be grappling with learning how to apply the policy. He stated the IDA was a volunteer group and that they were

doing their best, but that the process for implementing the policy was time-consuming and was a new area for them.

Legislator Addonizio stated she attended the IDA Board meeting which occurred the previous week. She stated they are working towards the goal of being in compliance. She stated the labor policy, which was adopted at the end of 2021, was meant to put Putnam first to the greatest extent possible. She questioned what the best move would be if the projects were found to be in violation of them.

IDA Chairman Nulk stated the IDA is not far enough in the process yet to consider any punishment for non-compliance. He stated the goal of the IDA was to not scare businesses away from Putnam County.

Legislator Addonizio questioned how long the IDA gave projects to be in compliance.

IDA Chairman Nulk stated that would have to be decided on a case-by-case basis, so that the IDA could find out what the issues were for projects being non-compliant. He stated he did not think it could be possible to devise a universally applicable standard. He stated a better picture of a timeframe could be figured out in the future as the IDA got used to the policy. He stated at the moment, the IDA was working with many small projects, and few big operations.

Chairman Ellner questioned if any spot checks had been done at this point.

IDA Chairman Nulk stated only one spot check had been performed.

Chairman Ellner questioned if the project had produced records during the spot check.

IDA Chairman Nulk stated they did not and since then, the project had been notified by correspondence and verbally.

Legislator Crowley questioned if the IDA had asked for the records before or after the project was presented to the Committee.

IDA Chairman Nulk stated they had been notified the day of that Committee meeting.

Legislator Nacerino stated she also attended the recent IDA Board meeting. She stated the IDA Board is very dedicated, and that they have a lot of information they need to assess in order to do their jobs, on top of their full-time jobs. She stated when the IDA went to the projects to ask for their records, they were asking regular employees rather than administrative staff that would be able to provide the records. She stated the IDA Board then said they would send out their letter, and the IDA Board is aware that the Legislature passed their resolution with the good-faith assumption that the Board would follow up. She stated it would still take time for the IDA to finish this, as it was uncharted territory for every member of the IDA. She stated her confidence that this would be taken care of.

IDA Chairman Nulk stated he wanted to emphasize that the IDA was trying to establish a precedence, setup, and procedures for ensuring compliance with the policy, so that there are no difficulties with it in the future.

Legislator Sayegh stated in the construction phase of the project, there is a requirement that the contractors performing the work have a New York State Department of Labor registered Apprentice Program with a 5-year average graduation rate of 40% or greater. She questioned if the construction companies had to be contacted for their records.

IDA Chairman Nulk stated that was a not a requirement in the workforce policy, to his knowledge.

Legislator Sayegh stated the local workforce requirement contained a passage which read "It is the goal of the Putnam County IDA to create career opportunities with training within the County, therefore on all jobs over \$5,000,000 or more it will be required that the contractors performing work on site have a New York State Department of Labor registered apprentice programs." She stated the goal of this requirement was to create opportunities for high school graduates to learn trades. She stated further the purpose of the tax abatement was to support local communities. She stated it was concerning the IDA was not following that requirement.

IDA Chairman Nulk stated he would look at the policy again. He stated part of the problem with some of the labor agreements that offer an apprentice program require a 15-year timespan. He stated the IDA was operating under the hope for a 10-year basis for this particular project, but they wound up with a 12-year basis. He stated there are things they need to change, such as modifying the way the policy is written so that it is properly inclusive for what the IDA needs it to do. He stated he was not sure \$5,000,000 was a good threshold to impose the apprenticeship requirement, and that it might have to be larger.

Legislator Sayegh stated the project is in the construction phase, and a plan had been approved that it would receive no tax benefits in the first 2 years of development, but would receive them starting in the third year.

IDA Chairman Nulk stated that was based on their assessment at the time, which will be significantly larger than they would be paying now.

Legislator Sayegh questioned if the workforce policy would apply to the people renting the facilities.

IDA Chairman Nulk stated it would be the goal and hope of the IDA that tenants would do that, but it depends on what kind of businesses would be there, and whether apprenticeships would be suited to them.

Legislator Sayegh questioned if, regardless of what type of company took up residence in the warehouses, they would be required to hire people from the County.

IDA Chairman Nulk stated that is the goal.

Legislator Montgomery stated that the question of whether the tenants would abide by the workforce policy was answered in the affirmative in the previous Committee meeting. She thanked IDA Chairman Nulk and the IDA for his work on the project. She stated she was disappointed that the resolution and PILOT program request were passed without all of the details being ironed out. She questioned if the full property taxes for the development was \$16,194 a year.

IDA Chairman Nulk stated yes, they are paying that full assessed value now.

Legislator Montgomery stated her confusion with that assessed value.

IDA Chairman Nulk stated the property taxes reflect the undeveloped property assessment at that point. He stated the Town Assessor told him it would be reassessed going forward, at least during the third year of the PILOT.

Legislator Montgomery questioned if the developers would pay \$18,170 in the second year of the PILOT, followed by the reassessment in the third year.

IDA Chairman Nulk stated this was the case.

Legislator Montgomery stated there was also no sales tax generated from this PILOT, and that this was a good deal for the corporation involved in the PILOT.

IDA Chairman Nulk stated the corporation brought a lot of benefits to the County. He stated the development project was apportioned to be only over a half of the total property, and the other parts of the property are being developed for the benefit of Pugsley Road itself.

Chairman Ellner emphasized that the policy in question was for the IDA, and that it stated payrolls would be certified, and that they would include the employee's name, address, I-9 verification, and OSHA 30 card, and that they would be kept on site and available for the IDA to collect. He stated, given the tax relief the owners receive, they need pay to get this information together and submit it to the IDA. He stated it should not fall upon the IDA to search for the records, and that the corporation needs to provide them.

Legislator Montgomery stated her belief that the information the IDA was looking for should be easily available, and she does not understand the difficulty in providing it.

Chairman Ellner stated his belief that a company of this size would be using payroll services, and that 10 days is a reasonable amount of time for them to collect that information and submit it.

IDA Chairman Nulk stated his understanding was that that kind of information is available, and that they would provide it to the IDA.

Chairman Ellner stated there was a learning curve involved in implementing this process, but there were millions of dollars in benefits being awarded to this company, and he did not want the IDA, a volunteer organization, to be doing too much work.

Legislator Sayegh stated the consequences of providing the information were on the applicant, not the IDA.

IDA Chairman Nulk stated that was another fee they had to build into the PILOT.

Legislator Addonizio questioned if that meant the corporation would reimburse the IDA.

IDA Chairman Nulk said they would.

Chairman Ellner stated the issue at hand was merely a matter of asking for documentation which has to be reported to the IDA anyway.

Legislator Nacerino stated it was not to say that the agency had been neglectful in not providing the information, but that they had been given a window to respond by the IDA. She stated a lot of work would go into the IDA processing all the information they would receive. She stated her belief that the turnaround on this issue would happen sooner rather than later.

Legislator Montgomery stated she would have liked to have seen the information before the PILOT was approved.

IDA Chairman Nulk stated the goal of the IDA was Putnam first, but also Putnam appropriate.

Chairman Ellner made a motion to accept the additional for Item #4, which was the Putnam IDA Workforce Policy; Seconded by Legislator Crowley. All in favor.

Legislator Addonizio thanked IDA Chairman Nulk for his hard work.

Item #5 - FYI/Unemployment Report – Duly Noted

Item #6 - Other Business

Legislator Montgomery stated there was a person interested in filling a vacancy on the IDA Board. She questioned why that was not moving forward.

Chairman Ellner stated it has been requested that the IDA post for the position due to the small number of people who responded.

Legislator Montgomery stated she wished to be apprised of the process of filling the vacancy as it was happening, as the Legislature needed that information from the Committee.

Chairman Ellner stated that would happen and would share that information once the IDA provides it.

Legislator Montgomery stated there was an open period for people to apply to fill the vacancy, which was being ignored by the Committee.

Chairman Ellner stated, based on his understanding, it was not an application process, but a search from within, and he has requested that the position be posted.

Item #7 - Adjournment

There being no further business at 7:03 pm Chairman Ellner made a motion to adjourn;
Seconded by Legislator Addonizio. All in favor.

Respectfully submitted by PILOT Intern Eamon Howley.



Putnam County Industrial Development Agency

2 Route 164, Suite 2B
Patterson, NY 12563
845-808-1031

#4

October 27, 2023

Greg Ellner, Chairman
Economic Development & Energy Committee, Putnam County Legislature
Putnam County Office Building, 3rd Floor
40 Gleneida Avenue
Carmel, NY 10512

Re: Request for attendance at the Nov. 15th Economic Development Committee Meeting

Dear Chairman Ellner,

I have received your request for my attendance at the November 15th Economic Development Committee Meeting to provide an update on the PCIDA's compliance with the Workforce Policy as well as the 2 projects we have requested documents from.

I plan to attend and will invite our Vice Chairman. Ed Cooke, to also attend.

Sincerely,

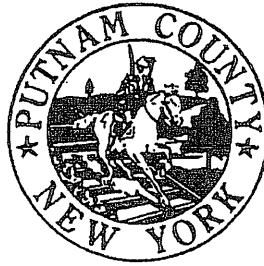
Bill Nulk, Chairman
Putnam County Industrial Development Agency
(c) 845 721-9216

2023 OCT 27 PM 3:31
LEGISLATURE
PUTNAM COUNTY
CARMEL, NY

THE PUTNAM COUNTY LEGISLATURE

40 Gleneida Avenue
Carmel, New York 10512
(845) 808-1020 Fax (845) 808-1933

Paul E. Jonke *Chairman*
Amy E. Sayegh *Deputy Chair*
Diane Schonfeld *Clerk*
Robert Firriolo *Counsel*



| | |
|-------------------|---------|
| Nancy Montgomery | Dist. 1 |
| William Gouldman | Dist. 2 |
| Toni E. Addonizio | Dist. 3 |
| Ginny Nacerino | Dist. 4 |
| Greg E. Ellner | Dist. 5 |
| Paul E. Jonke | Dist. 6 |
| Joseph Castellano | Dist. 7 |
| Amy E. Sayegh | Dist. 8 |
| Erin L. Crowley | Dist. 9 |

October 23, 2023

William Nulk, Chairman
Putnam County Industrial Development Agency
Sent via email: (William.Nulk@putnamida.com)

Dear Chairman Nulk:

Per the attached request from my colleague, Legislator Addonizio, I respectfully request your attendance at the November 15, 2023 Economic Development & Energy Committee. Please be prepared to provide an update on the IDA's compliance with the Workforce Policy as well as the two (2) projects that the IDA requested documents from.

Please confirm your ability to attend with the Legislative Office. Thank you, I look forward to the update.

Sincerely,

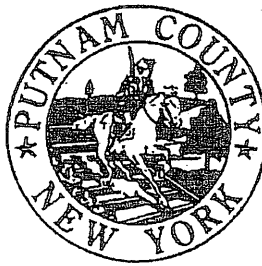
Greg Ellner
Chairman, Economic Development & Energy Committee
Legislator, District #5

Attachment

THE PUTNAM COUNTY LEGISLATURE

40 Gleneida Avenue
Carmel, New York 10512
(845) 808-1020 Fax (845) 808-1933

Paul E. Jonke *Chairman*
Amy E. Sayegh *Deputy Chair*
Diane Schonfeld *Clerk*
Robert Firriolo *Counsel*



| | |
|-------------------|---------|
| Nancy Montgomery | Dist. 1 |
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| Ginny Nacerino | Dist. 4 |
| Greg E. Ellner | Dist. 5 |
| Paul E. Jonke | Dist. 6 |
| Joseph Castellano | Dist. 7 |
| Amy E. Sayegh | Dist. 8 |
| Erin L. Crowley | Dist. 9 |

MEMORANDUM

DATE: October 19, 2023

TO: Greg Ellner
Chairman, Economic Development & Energy Committee

FROM: Toni Addonizio
Legislator, District #3

RE: IDA - Local Labor Policy

As you are aware, at the August 16, 2023 Economic Development Meeting Putnam County Industrial Development Agency (IDA) Chairman Bill Nulk informed the Committee that letters had been sent to formally notify two (2) projects that their documents were being requested for inspection.

It is my understanding the IDA Board met on Tuesday, October 17th. Respectfully, I request Chairman Nulk be invited to the November Economic Development Committee Meeting to provide an update on those projects and their compliance the Workforce Policy.

Thank you for your attention to this request.

#5

WE ARE YOUR DOL



Department of Labor

Select Seasonal Adjustment
 Not Seasonally Adjusted

Select Measure
 Employed
 Unemployed
 Labor Force
 Unemployment Rate

Select Area Type
 County

Select Area
 Putnam County

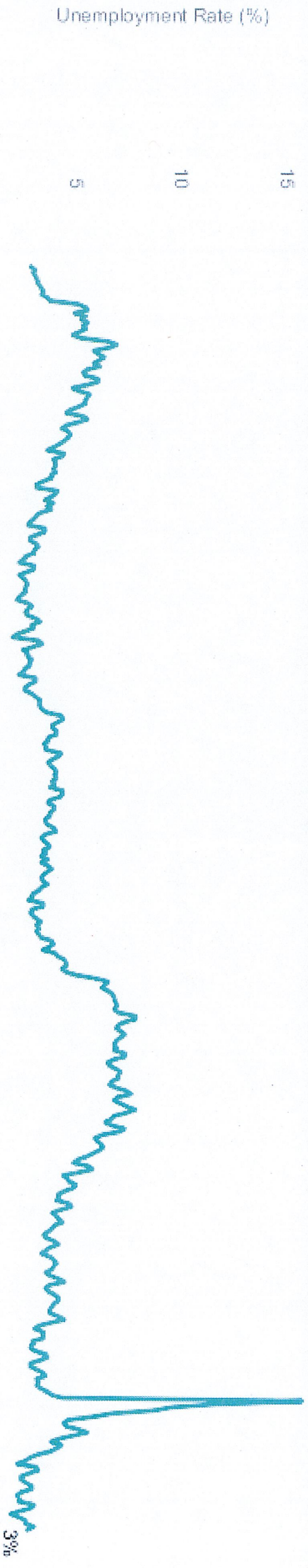
2023 NOV - 9 AM 9: 33

LEGISLATURE
 PUTNAM COUNTY
 CARMEL, NY

Select Date Range
 January 1976 to September 2023
 and Null values

Area
 Putnam County

Area: Putnam County Measure: Unemployment Rate Adjustment: Not Seasonally Adjusted Date Range: January 1990 to September 2023



| Year | Month | Area Name | Employed | Unemployed | Labor Force | Unemployment Rate | |
|-----------|-----------|---------------|---------------|------------|-------------|-------------------|------|
| 2023 | September | Putnam County | 50,700 | 1,600 | 52,300 | 3.0% | |
| | August | Putnam County | 50,700 | 1,700 | 52,400 | 3.3% | |
| | July | Putnam County | 50,900 | 1,500 | 52,500 | 2.9% | |
| | June | Putnam County | 50,900 | 1,500 | 52,400 | 2.9% | |
| | May | Putnam County | 50,100 | 1,300 | 51,500 | 2.6% | |
| | April | Putnam County | 50,200 | 1,100 | 51,300 | 2.2% | |
| | March | Putnam County | 49,600 | 1,400 | 51,000 | 2.7% | |
| | February | Putnam County | 48,900 | 1,600 | 50,500 | 3.2% | |
| | January | Putnam County | 48,400 | 1,600 | 50,100 | 3.3% | |
| | 2022 | December | Putnam County | 49,100 | 1,300 | 50,400 | 2.6% |
| | | November | Putnam County | 49,400 | 1,300 | 50,700 | 2.6% |
| | | October | Putnam County | 50,100 | 1,300 | 51,400 | 2.5% |
| September | | Putnam County | 50,000 | 1,400 | 51,400 | 2.7% | |
| August | | Putnam County | 50,000 | 1,400 | 51,400 | 2.7% | |