

**ECONOMIC DEVELOPMENT & ENERGY COMMITTEE MEETING
HELD IN ROOM 318 OF THE
PUTNAM COUNTY OFFICE BUILDING
CARMEL, NEW YORK 10512**

Members: Chairwoman Sayegh, Legislators Addonizio & Montgomery

Thursday

6:30PM

February 21, 2019

The meeting was called to order at 6:30 P.M. by Chairwoman Sayegh who requested that Legislator Addonizio lead in the Pledge of Allegiance. Upon roll call, Legislator Addonizio, Legislator Montgomery, and Chairwoman Sayegh were present.

Item #3 - Approval of Minutes – December 11, 2018

The minutes were approved as submitted.

Item #4 - Update/Putnam County Industrial Development Agency/IDA Board Chairman Bill Nulk

Chairwoman Sayegh read the Putnam County Industrial Development Agency's (IDA) mission statement:

"The IDA strives to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and finishing industrial, manufacturing, warehousing, commercial, research, educational or cultural facilities not to exclude commercial and retail facilities to advance job opportunities and enhance the health, general prosperity and economic welfare of the people in New York State and Putnam County."

Chairwoman Sayegh introduced IDA Board Chairman Bill Nulk to speak about the IDA's goals and objectives for 2019.

IDA Board Chairman Nulk stated the IDA Board is pleased with how their projects are progressing. He stated the IDA has moved into the office in the Lawlor Building in the town of Patterson. He stated many older items were archived in the county records center. He stated Jennifer Cassidy, from the County Historian's Office found historical items such as maps and plaques that were preserved. He stated the IDA has many ongoing projects. He stated ACE Endico is considering another expansion. He stated the Ohana Hospitality project (formerly known as Fox Ridge) was delayed in obtaining the necessary building permits but hope to be open in the late spring. He stated there are other projects that are now paying higher PILOT (Payment In Lieu Of Taxes) amounts. He stated the Butterfield project is no longer receiving IDA benefits. He stated the Gleneida Distillery project is still on track to close the agreements for financing and a PILOT, in addition to beginning production by the end of the year. He stated there is a problem with a project in the Town of Patterson which is facing foreclosure due to

unpaid real estate taxes. He stated there are other projects that the IDA is considering. He stated he and IDA Board Member Joseph Downey attended the New York State Economic Development Corporation (NYSEDC) Conference in Albany. He clarified that PILOT agreements mean that the developer pays real estate taxes based on the assessment at the time of purchase and then pays more based on the assessment once the certificate of occupancy is given. He stated a topic of discussion at the NYSEDC was that New York State mandates a labor policy, which the IDA does not have yet.

Chairwoman Sayegh questioned if there is a timeline for developing a labor policy.

IDA Board Chairman Nulk stated in order to maintain compliance it has to be in the next contract. He stated the policy will help educate people on what to expect when working with the IDA. He stated the IDA has been discussing with County Executive MaryEllen Odell and the Putnam County Economic Development Corporation how best to form a viable county-wide economic development team.

Legislator Nacerino requested clarification on the project that is facing foreclosure in the Town of Patterson.

IDA Board Chairman Nulk stated they are down to the last few years of their PILOT, so they are paying approximately 80% of what their normal tax bills would be. He stated the State now requires a policy that IDAs have to follow to try to “claw back” money from failing projects. He stated the project also owes taxes to the County, Town, and School District. He stated when the Fox Ridge Project was closing, the IDA made a decision to waive what was owed so that the new developer could take over and begin work.

Legislator Sullivan thanked IDA Board Chairman Nulk for his work with the IDA. He stated the IDA is a vital economic tool to attract businesses to the county. He noted that it is a competitive environment with other counties and states.

IDA Board Chairman Nulk stated the IDA is working with County Executive Odell and the EDC to figure out the best way to work together for the county. He stated the IDA has four (4) tools to help attract businesses, the mortgage tax abatement, sales tax abatement, PILOT, and bonding if necessary.

Legislator Sullivan questioned if Teri Wavaida is still working with the IDA.

IDA Board Chairman Nulk stated she is, sometimes.

Legislator Montgomery questioned if the State offered any assistance with developing the labor policy.

IDA Board Chairman Nulk stated they have not. He stated the NYSEDC is working to put together a list of best practices. He stated the labor policies can vary based on the needs of the municipality.

Legislator Montgomery questioned if the County Attorney's Office will be involved in drafting the policy.

IDA Board Chairman Nulk stated it would be the IDA who drafts the policy.

Legislator Montgomery questioned if there are any inquiries regarding marijuana dispensaries.

IDA Board Chairman Nulk there has not been any inquiries yet. He stated those projects would tend to be smaller than those usually handled by the IDA.

Legislator Sullivan stated the IDA usually handles projects that would cost at least \$4-5 million.

IDA Board Chairman Nulk stated the legal costs of putting together an IDA project have to be weighed against the benefit of the project.

Legislator Sullivan requested when the 2018 financial information is finished, if it could be sent to Chairwoman Sayegh for review by the committee.

IDA Board Chairman Nulk stated they are in the process of being completed and will be posted on the IDA's website when finished.

Legislator Sullivan stated years ago the IDA generated enough money to be self-sufficient, and the County did not need to provide any funding. He questioned if the IDA is close to being self-sufficient again.

IDA Board Chairman Nulk stated the IDA is working towards it. He stated the IDA cut its request for funding in 2019 to \$50,000, down from \$61,000 in 2018. He stated the IDA is currently looking for part-time help.

Legislator Sullivan stated there is a lot of work involved and it is hard to have it all done with volunteer hours.

Item #5 - Discussion/Gas Pricing in Putnam County/Director of Consumer Affairs Michael Budzinski

Chairwoman Sayegh stated the Legislative Office has received inquiries regarding gas prices in Putnam County and if the County has any policies in place. She stated she does not believe there are any regulations.

Consumer Affairs Director Michael Budzinski stated there are no regulations governing gas prices. He stated there are several factors that can dictate gas prices: the stations may be buying the gas from different terminals at different times, the distance the terminal is from the station, and the location of the station, such as if it is closer to a highway, all come into play. He stated in Carmel and Brewster the price is around \$2.65 per gallon while in Mt. Kisco and Katonah it ranges from \$3.29 to \$3.79. He stated in Poughkeepsie it is around \$2.50.

Legislator Addonizio stated she was in Poughkeepsie recently and gas was \$2.44.

Director Budzinski stated further north the cost of doing business is less, which affects the prices.

Chairwoman Sayegh stated she spoke with Matt Milford of the New York State Energy Research and Development Authority about gas pricing and he stated that it is derived from competitive pricing and the market is internationally driven because the sources are all over the world and the wholesale price is determined by supply and demand, and the price of crude oil. She added that he stated that fewer gas stations results in higher prices. She noted that Mr. Milford recommended using Gas Buddy, which is also on the County Consumer Affairs website, along with AAA to find gas prices around you. She stated Putnam County is in line with the southern region which includes Manhattan, the Bronx, Westchester, and Rockland.

Legislator Nacerino stated she has had constituents inquire about the gas prices to her and have pointed out that they are higher in Putnam County than in White Plains.

Legislator Sullivan stated the cheapest in Mahopac is \$2.61, in Cold Spring it is \$2.49, and in Newburgh \$2.19. He questioned where the terminals are. He stated there is one in the Newburgh/Beacon area.

Legislator Montgomery stated there is one in New Hamburg. She suggested the prices seem to be higher the further east from the Hudson River.

Director Budzinski stated it is similar to different grocery store pricing.

Legislator Sullivan stated people are sensitive to the issue because of how much money is spent on gas.

Legislator Jonke stated he does not see high prices in his district of Southeast or over the border of Connecticut, in Danbury.

Legislator Nacerino stated people will travel to get cheaper gas and the money for their purchases could be going to other municipalities, not Putnam County.

Legislator Gouldman noted that gas station owners do not make much money off of the sale of gas. He stated that is why gas stations sell other goods.

Legislator Sayegh noted that the State puts burden on the gas stations for their mandated maintenance.

Resident John Sayegh questioned if there is a tax that Putnam County charges per gallon.

Chairwoman Sayegh stated there is no gas tax.

Legislator Sullivan stated there is only the sales tax.

Legislator Castellano stated he commutes to White Plains, where it has almost always been \$.10 more expensive than in Brewster.

Legislator Nacerino stated it does seem that regulation would be the answer and that the prices seem to vary in many locations, not just Putnam County.

Legislator Sullivan stated some counties apply sales tax differently. He stated it would be interesting to figure out how the sales tax affects the gas prices.

Item #6 - Discussion/Climate Smart Communities/Legislator Montgomery

Chairwoman Sayegh stated this was initially brought forward for discussion in 2015 by Legislator Nacerino. She stated the Town of Philipstown is now considered a Climate Smart Community and is the only Town in Putnam County to do so.

Legislator Montgomery stated Philipstown is in the process of being certified as a Climate Smart Community. She stated she spoke with the Executive Director of the Hudson Valley Regional Council (HVRC) Pat Pomeroy who expressed interest in having Putnam County be more involved with the HVRC. She commended Legislator Nacerino for initially introducing the Climate Smart program. She stated in speaking with various County Department Heads, she realized that many of the Climate Smart initiatives in order to become certified are already happening across the county. She stated Ameresco's presentation at the January 22, 2019 Physical Services Committee Meeting was another step that could be used towards Climate Smart certification. She stated Putnam County should take advantage of this resource offered by the State. She stated she inquired to Ameresco about assistance with becoming certified. She stated she would like to gauge the Legislature's interest in this program. She stated she has many contacts that could come give a presentation to the Economic Development & Energy Committee.

Legislator Addonizio stated in order to become certified there are 10 pledges that must be taken by the County. She stated there is free technical assistance available.

Legislator Montgomery stated there are mandatory tasks, but the County has already accomplished some of them. She stated for example the LED lighting project at the prison and the fleet management at the Highway Department.

Legislator Nacerino thanked Legislator Montgomery for bringing Climate Smart forward again. She stated the County has already implemented many of the initiatives and believes the Climate Smart program is an important measure.

Chairwoman Sayegh stated Putnam County is already striving to meet the requirements. She stated if there is grant money available through these initiatives, it makes it even more important.

Legislator Addonizio stated Dutchess County recently signed their Climate Smart pledge and formed a task force including elected officials and municipal staff. She stated there are a lot of moving parts to this program.

Legislator Montgomery stated Ameresco seemed to be receptive to providing assistance. She stated the first step would be passing the resolution and then forming the task force with an appointed coordinator. She stated Philipstown provided a stipend to the coordinator. She stated it could be included in the charge for Ameresco's current project with the County. She stated the Climate Smart website has a list of the grants that were awarded in the past year.

Chairwoman Sayegh questioned if the grant funding is available through the CFA (Consolidated Funding Application) program.

Legislator Montgomery stated there are different grant programs, including CFA.

Chairwoman Sayegh questioned if each County Department has to sign off on the Climate Smart Pledge.

Legislator Montgomery stated no, it would be the Legislature's initiative for the County.

Legislator Addonizio stated if the County signs the pledge, the County Departments would be included. She stated that is why more information is needed before moving forward.

Chairwoman Sayegh stated this is just an initial discussion.

Legislator Montgomery questioned what kind of information is needed.

Legislator Addonizio stated more clarification on what would be mandatory for the County.

Legislator Nacerino noted many of the mandatory items could already be in place and agreed that more information is necessary.

Legislator Montgomery stated signing the pledge and passing the resolution is what opens the door to the grant funding. She stated the Town of Northeast received \$29,000 and the Town of Ossining received \$100,000 for their Climate Smart Certification. She stated she believes it is a great way to bring the community together.

Legislator Gouldman questioned if any counties have been certified.

Chairwoman Sayegh stated she believes Sullivan and Dutchess Counties.

Legislator Gouldman stated this program is worth looking more into.

Legislator Montgomery stated she would like to move the model resolution forward to the next Full Legislative Meeting.

Legislative Counsel Robert Firriolo stated the resolution is not on the agenda for approval.

Chairwoman Sayegh it will have to go to another Economic Development & Energy Committee Meeting.

Legislator Montgomery thanked the Committee for considering this program. She thanked Legislator Nacerino and former Legislator Scuccimarra for bringing this forward in the past.

Mr. Sayegh questioned what benefits the County would be entitled to after certification.

Chairwoman Sayegh grant money would be made available.

Legislator Montgomery stated for example the Town of Fallsburgh received \$168,000 for storm water management and Sullivan County received over \$900,000 for their flood-risk reduction project.

Mr. Sayegh questioned if the County would break even on the amount of money put into certification and the amount of money received afterwards through grants.

Legislator Montgomery stated there are already projects that need to be addressed for the health of the County.

Mr. Sayegh questioned what the mandates are.

Chairwoman Sayegh stated that is what needs to be figured out.

Item #7 - FYI/Unemployment Report – Duly Noted

Item #8 - FYI/Foreclosure Report – Duly Noted

Item #9 - Other Business – None

Item #10 – Adjournment

There being no further business, at 7:24 P.M., Chairwoman Sayegh made a motion to adjourn; Seconded by Legislator Addonizio. All in favor.

Respectfully submitted by Administrative Assistant Ed Gordon.