

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

Members: Chairwoman Scuccimarra, Legislators Gross & Wright

Tuesday

October 14, 2014

The meeting was called to order at 6:00 P.M. by Chairwoman Scuccimarra who asked Legislator Gross to lead in the Pledge of Allegiance. Upon roll call, Legislators Gross and Chairwoman Scuccimarra were present. Legislator Wright arrived at 6:05 P.M.

Item # 3 – 2015 Budget Review

Chairwoman Scuccimarra stated the Legislative Office received a business activity report and an income reports from Economic Development Corporation (“EDC”) President Meghan Taylor at the request of Legislator Gross.

Chairwoman Scuccimarra made a motion to waive the rules and accept the additional; Seconded by Legislator Gross. All in favor.

EDC President Taylor stated she provided the Legislature with; the EDC President’s Reports from January 2014 to present, the Putnam County EDC Annual Report, and an overview of private dollars received by the EDC. She stated the EDC’s income entails the EDC Membership, the Annual Gala and the Annual Breakfast Sponsorships. She stated she had EDC Board Chairman Tom LaPerch joined her tonight to facilitate in answering any questions the Legislators may have.

Chairwoman Scuccimarra questioned when EDC President Taylor began her position.

EDC President Taylor stated she began April 1, 2013. She stated the President’s Reports that she provided to the Legislature are the same reports that she provides to the EDC Board every two (2) months. She stated these reports discuss projects the EDC is currently involved with, prospects, a marketing report, and upcoming events.

Chairwoman Scuccimarra stated she is excited about the future projects.

EDC President Taylor stated in the documents that she provided to the Legislature, some of the projects have code names due to confidentiality agreements. She stated there are many projects on the horizon in Putnam County but, the at best the timeline for these projects to be completed is 12 to 18 months. The timeline appears to be drawn out because there are many different steps that need to be taken.

Legislator Gross questioned if there were some projects that EDC President took over when she became the president.

EDC President Taylor stated yes, for instance the Paladin Project started before she was the President; however the reports provided illustrate that many of the projects began after she became president.

Chairwoman Scuccimarra questioned that it takes 12 to 18 months to finish a project.

EDC President Taylor stated that is correct, that is the realistic timeline.

EDC Board Chairman LaPerch stated an issue that the EDC faces is a lack of standing inventory in the County, which causes the County to miss opportunities. He stated a project will be completed in 18 months after the process if there is a “shovel ready” site.

EDC President Taylor stated if there is not any standing inventory for a project the process is longer.

Chairwoman Scuccimarra questioned if the EDC has created a standing inventory of each town.

EDC President Taylor stated yes, the EDC and the Planning Department worked on a large commercial development report; which identified all the large scale commercial developments in the County. This report also illustrates what the County’s infrastructure lacks to help in the next CFA Application process to potentially receive funding to assist in the County moving forward.

Legislator Gross stated there was a property in the Town of Southeast that was approved Southeast’s Town Board. He questioned if this is an example of a shovel ready site.

EDC Board Chairman LaPerch stated that project was Crossroads Project, located on Route 312, which was a retail project. He stated current projects do not fit the current economic retail model. He stated in the Town of Southeast they conducted a comprehensive plan to be more business friendly. He stated there is the challenge of outside storage in this area, which restricts the business friendly approach. He stated there are tactical issues that need to be addressed as well.

EDC President Taylor stated there are shovel ready sites that are attractive to developers. She stated it is important to think outside the box to market the properties to be conducive to the current market.

Legislator Gross questioned if there are signage issues.

EDC President Taylor stated she believes it has been an issue for some of the existing companies. She stated she also believes issues are caused by a lack of understanding of the preliminary regulations. She stated there needs to be a better understanding of what these regulations are and how to accustom the businesses with the regulations. She stated the Towns have their own signage laws.

Legislator Wright questioned if the EDC has identified target sites that are adjacent to interstate that the County owns.

EDC President Taylor stated she has spoken to Commissioner of Highways & Facilities Fred Pena and Transportation Manager Vinny Tamagna on this matter. She stated there have been different properties that the County has owned but, they are not in the commercial zone.

Legislator LoBue stated the County's sales tax is 8.38% and in Connecticut it is a little over 6%. She stated the County is landlocked which is the biggest problem in terms of manufacturing. She stated the County is missing class "A" office space. She stated she would like to see the retail developments and be converted to corporate parks, which will create higher end employment. She stated approximately 70% of the residents in the County travel outside the County for work.

EDC Board Chairman LaPerch stated there was a bad deal with the NYC Watershed Agreement that is an obstacle for some commercial developments. He stated the corporate parks cannot be built without infrastructures.

EDC President Taylor stated she agreed with Legislator LoBue in that there is a need to repurpose the shovel ready sights within the County to accommodate the market. She stated the County is a small county and there are not many great corridors for a commercial road. She stated the process of remarketing and rebranding of sights does not happen overnight. She stated the purpose of going to conferences is to inform developers and business of the County.

Legislator LoBue stated near Croton Falls Road looks decimated. She stated in District # 8, the Town of Mahopac, companies will open and then shut down soon after opening. She stated those with dispensable incomes are then spending their money outside the County.

EDC President Taylor stated the EDC was discussing with the Town of Carmel's Town Board about the creation of a more transit oriented destinations.

Legislator Oliverio stated he has always wanted to see a hotel conference center. He stated he believes this would prevent people from traveling outside the County.

EDC President Taylor stated there have been various opportunities throughout the County. She stated that in regards to a hotel there is a potential for a property in the Town of Southeast that is in the process. She stated there is also potential for an area on the western side of the County in Garrison. She stated the property that was approved to have a hotel on Old Route 6 took six (6) years to be approved which, by then the investor left.

Legislator LoBue stated it is important to first bring in the corporate developments and then small shops to build up a town. She stated she would be in favor of a small scale like a bed and breakfast. She stated currently the County could not sustain a large scale hotel.

EDC President Taylor stated she understands Legislator LoBue's concern however; demographics proved that the County can sustain a large scale hotel. She stated there are various projects that are sustainable and are willing to move forward.

Legislator Nacerino commended EDC President Taylor's efforts. She stated she believes it is important to look into the future. She stated she does not want to repeat the mistakes that occurred at the Patterson Crossing. She stated she sat on the Master Plan Comprehensive

Review Committee 15 years ago and she believes the Town of Patterson is working towards a new master plan. She stated the Town of Patterson's downtown cannot be opened up due to a lack of parking.

Legislator Albano stated the projects are time sensitive and the process takes too long. He stated that is why he opposes the Clean Water Act because if more regulations are added it will affect projects.

Legislator Gross stated Interstate 84 and Interstate 684 are great transportation routes. He stated along that corridor there are projects developing. He stated there are two (2) hotels proposed to be developed in the Town of Southeast. He stated it was his understanding that there was a standstill due to watershed issues.

EDC Board Chairman LaPerch stated that hotel is still in the process.

EDC President Taylor stated there is also a potential hotel development on The Garrison's facility. She stated The Garrison hosts approximately 140 weddings a year and they send all the wedding parties to Dutchess County. She stated The Garrison has received approval for an 80 room facility on their site however; they do not have an investor. She stated these projects take time.

Legislator LoBue questioned the EDC Budget and the \$20,000 increase in her staff line (reflected in the EDC Budget Backup).

EDC President Taylor stated the \$20,000 is going to be used for her Executive Assistant who was an intern and now works part-time. She stated she would like to hire her Executive Assistant as a full-time employee.

Legislator LoBue questioned if EDC President Taylor's salary is \$75,000.

EDC President Taylor stated that is correct.

Legislator LoBue questioned if EDC President Taylor's salary was \$75,000 last year.

EDC President Taylor stated yes.

Legislator LoBue stated the past EDC President's salary was \$48,131. She questioned if EDC President Taylor would be sharing services with the Executive Assistant.

EDC President Taylor stated she wanted to clarify that \$48,131 was the salary for the EDC President part-time position.

Legislator LoBue questioned if the Executive Assistant staff member could be better utilized in the Industrial Development Agency ("IDA") because in the past both agencies shared services with the secretary.

EDC President Taylor stated she prefers to not share services with the secretary because it is two (2) separate organizations.

Legislator LoBue stated the two (2) agencies use to work together in which the EDC brings in the businesses and the IDA secures the finances.

EDC Board Chairman LaPerch stated the EDC Board has decided the agency needs to be aggressive and the budget increase reflects that aggressive initiative.

Chairwoman Scuccimarra stated she is content with the budget requests from the EDC.

Legislator LoBue questioned if the EDC is requesting for a \$10,000 increase (# 25642000-54950, pg.120).

EDC Board Chairman LaPerch stated no, the EDC is requesting for a \$10,000 contingency line to be proactive and not missing out on opportunities. He stated if there is a show or an opportunity to be in front of developers the EDC would like the funding to be there.

EDC President Taylor stated the EDC is planning on attending two (2) trade shows, which the EDC has already attended one (1). She stated the International Economic Development Council ("IEDC") is composed of all the economic development professionals in the world and professionals such as; Economic Commercial Developers, Real-estate Brokers, Attorneys and CPAs. She stated in the beginning of 2014 she attended an IEDC Show and the EDC has received approximately 5 leads for projects and received membership from different Commercial Brokers. She stated she is pushing for funding for these conferences because they have a positive impact on economic development. She stated when she was employed with the Orange County EDC, they attended numerous conferences because the budget allowed it. She stated she understands the County's budget is different and is happy that the budget permits the EDC to attend two (2) conferences. She stated the conferences are very beneficial to go to.

Legislator LoBue stated she agreed that the EDC going to big conferences outside the County is important. She stated last year the EDC was given a \$20,000 increase. She questioned if that increase was not enough to cover for the conferences.

EDC President Taylor stated the \$20,000 was used for various marketing issues that needed to be addressed.

Legislator LoBue questioned if money was spent on the First Annual Gala and River Cruise hosted by the EDC in October 2013.

EDC President Taylor stated the budgetary money was not used for the cruise. She stated EDC raised \$28,000 through sponsorships to fund the cruise

Legislator LoBue questioned if the extra \$10,000 is needed for the EDC to attend conferences.

EDC Board Chairman LaPerch stated yes, the EDC Board voted on increasing the budget for conferences.

Legislator Nacerino stated she whole heartedly supports the increase for the EDC Budget to attend the conferences. She stated she likes the proactive approach and the increase provides the proper tools and opportunities to be proactive.

EDC Board Chairman LaPerch stated this \$10,000 increase will be in contingency so the EDC can act upon opportunities.

Legislator Oliverio stated one of the Legislature's main roles is fiscal oversight. He stated the questions presented are fair to ask. He questioned what the \$10,000 is intended to be used for.

EDC Board Chairman stated it is predicted that there will be more invitations for conferences and it may be used for advertising as well.

EDC President Taylor stated she wanted to clarify that the \$28,000 raised for that cruise was raised in six (6) weeks.

Legislator LoBue questioned what the overall cost of the cruise was.

EDC President Taylor stated she does not have the numbers in front of her. She stated she does know the EDC is financially positive \$40,000 which is based on the additional sponsorships that have been brought in from the conferences who believed in the EDC's mission in moving forward. She stated after the EDC Recognition Breakfast four (4) new investors signed on. She stated these marketing initiatives being brought forth are for the benefit of the County.

Legislator LoBue stated she has spoken to constituents who cannot sustain another tax increase. She stated EDC President Taylor came before the Legislature last year and now is requesting an extra \$35,000 which she wants to know how it is will be spent.

EDC President Taylor stated 78% of the \$40 million property tax levy in the County is being paid by the residents of the County. She stated it is her goal as President to lessen that burden. Therefore, if the Board of Directors suggests the EDC request for an additional \$10,000 she will do so.

Legislator Oliverio stated bringing businesses in will generate a sales tax and only lessens the property tax a little. He stated the EDC should lobby the State to restructure the financing of education. He stated about 80% of the taxes the County pays is school tax.

Deputy County Executive Bruce Walker stated the EDC has revitalized and is aware of the business coming in the County. He stated as highlighted by the EDC the County does not have a great package compared to Connecticut. He stated the offers of Connecticut versus New York are despaired. Therefore, the Administration decided it is important for the IDA to be revitalized just like the EDC. He stated there is the debate whether to fund the IDA upfront or have the IDA survive off the money that they generate from sales and closing deals.

Chairwoman Scuccimarra stated the IDA has been sustaining themselves from the money they generate.

Deputy County Executive Walker stated yes, the IDA has been self-sustained over the years however, the Administration does not believe the County should wait for the IDA to generate an abundance of funds because that may take time and the County would lose out on opportunities. He stated the Administration can provide the IDA a loan (# 25646000-54020, pg.121) which enables of the IDA to get a kick start. He stated to operate with just the EDC and not the IDA is a challenge.

Chairwoman Scuccimarra questioned how the loan agreement is going to be structured.

Deputy County Executive Walker stated a contract would be established. He stated the contract would be created after the Legislature approved of the loan. He stated this contract would be similar to the other outside agencies the County funds.

Chairwoman Scuccimarra stated the IDA has not been able to function.

Deputy County Executive Walker stated the business the IDA works in is not easy. He stated the Administration would like to give the IDA every opportunity to succeed because it is important for the IDA to be working in consort with the EDC to provide the best benefit for the incoming businesses.

Legislator Oliverio stated IDA Chairman Richard Ruchala sent the Legislature a letter and this arrangement is something the Legislature should approve of.

Legislator Wright questioned if there is a proposed breakdown on the use of the \$75,000.

Deputy County Executive Walker stated IDA Chairman Ruchala does have a breakdown of the use of the \$75,000.

Legislator LoBue stated this money would be used to pay professionals that are needed to do the paperwork and the requirements from the State. She stated she would be in favor of the agreement being structured as a loan.

Legislator Gross stated it is nice to see that the IDA requested for a \$75,000 loan and they received that exact amount.

Deputy County Executive Walker stated he believes the IDA is an important organization and the Administration needs the IDA to succeed.

Legislator LoBue stated the IDA has the financing mechanism. She stated the IDA provides bonding which is required for all the large scale developments. The IDA receives a commission based on the projects which creates funding for their organization.

Legislator Albano stated he supports the \$75,000 loan.

Chairwoman Scuccimarra stated it is her understanding it is not known what the State is going to match with the matching funds. She stated the County will not know how much the funds will be matched until January.

Deputy Director of the Putnam County Visitors Bureau Frank Smith stated that is correct. He stated this past year the State sent the Visitor's Bureau \$54,597.43. He stated this coming year it is anticipated the Visitor's Bureau will receive \$57,000 (# 25641000-54621 pg.119), which is reflected in their 2015 Budget.

Chairwoman Scuccimarra questioned if the \$10,000 for lease transportation (#25641000-54678, pg.119) is when the Visitor's Bureau uses anything from the Transportation Department like the Trolley or buses.

Deputy Director Smith stated yes.

Chairwoman Scuccimarra stated she spoke with Director Libby Pataki today and the Visitor's Bureau is going to receive a grant to cover the costs of the Bike Race Event.

Deputy Director Smith stated that is correct. He stated the Visitor's Bureau has been in the process for many months to receive that grant and the State goes through the Document Vault which is where the Visitor's Bureau uploads documents to be approved. He stated the Visitor's Bureau is still in that process and the State notified them that they are almost done with the Document Vault process.

Legislator LoBue questioned what grant was used to cover the Bike Race Event.

Deputy Director Smith stated it would be called New York State Parks Grant, which comes out to approximately \$59,000. He stated the Visitor's Bureau is just waiting for the process to be completed to receive the grant.

Item # 4 – Other Business- None

Item # 5 –Adjournment

There being no further business at 6:55P.M. Legislator Wright made a motion to adjourn; Seconded by Legislator Gross. All in favor.

Respectfully submitted by Administrative Assistant, Lisa Sommers.