

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

Members: Chairman Ellner, Legislators Addonizio & Crowley

Wednesday 6:00PM March 22, 2023
(The Rules and The Physical Services Mtgs Immediately Followed)

The meeting was called to order at 6:00 PM by Chairman Ellner who requested that Legislator Jonke lead in the Pledge of Allegiance. Upon roll call Legislator Crowley, and Chairman Ellner were present. Legislator Addonizio arrived at 6:08PM.

Item #3 - Acceptance of Minutes – December 12, 2022 Meeting

Chairman Ellner stated the minutes were accepted as submitted.

Item #4 - Discussion/Hotel Occupancy Tax

Chairman Ellner stated he requested that this matter of a Hotel Occupancy Tax and potentially AirBnbs. He stated almost all of the Counties in New York charge between a 4-6% Hotel Occupancy Tax. He stated in Danbury, Connecticut they charge 15%.

Chairman of the Industrial Development Agency (IDA) Bill Nulk stated there is only one franchise hotel in Putnam County currently. He requested the County Legislature hold off on the enforcement of a Hotel Occupancy Tax. He stated the Comfort Inn in Brewster, is a 54 unit facility. He stated when they originally built that hotel the hope was the sewer line would be put in and they would then be able to expand onto the other 11 acres of the property increase the occupancy. He stated in his opinion enforcing a Hotel Occupancy Tax will not generate a whole lot of money and it may serve as a deterrent to people to stay in Putnam.

Nat Prentice, Resident of Philipstown, and President of the Cold Spring Chamber of Commerce and the Putnam County Business Council stated the Village of Cold Spring does have an Occupancy Tax, which they call a Room Tax. He stated the Village of Cold Spring is also looking to pass a second version of a Short Term Rental Law, he stated it would require the owner to pay 5% to the Village of Cold Spring on top the rate that they charge their guest. He stated for clarification is in not in place yet, but it is being considered.

Chairman Ellner stated his understanding is there are four (4) hotels currently in Putnam County and there are plans for fifth to be built in Patterson. He stated of course he would not want to do anything that would prevent people from staying here. He stated we are looking at such a nominal proposal. He stated another consideration he would like to mention is a fixed fee, as opposed to a percentage. He explained as an example charge \$10 to \$15 per night. He stated when Danbury is charging 15% he does not see how his suggestions would be disincentivizing people from staying in Putnam County. He stated that the comments made by Mr. Prentice,

brings into the discussion agenda Item #5 “Collection of Sales Tax from AirBnb, VRBO, etc.” He stated that he has discussed this with the County’s Finance Department. He stated his understanding is that AirBnb collect the sales tax through their portal, VRBO does not. He stated it is up to the individual owner of the VRBO to remit the sales tax. He stated he would like to recommend that a local law be passed to require VRBO to collect sales tax through their portals, to assure the County receives their share.

Legislator Crowley stated she pulled an article from 2020 about AirBnbs. She stated the article stated in 2019 Putnam County earned \$10 million from 57,700 bookings. She stated our neighboring counties that have the tax in place. She stated Dutchess has 4% and Westchester has 3%. She stated there are different ways to collect the tax. She stated she believes this could prove to be very lucrative.

Chairman Ellner questioned Legislative Counsel Firriolo as to if this type of law could exempt Putnam County residents from the Occupancy Tax.

Legislative Counsel Firriolo stated all of the taxes being discussed are regulated by New York State and require the permission of the State. He stated if it is the desire of the Legislature to move forward with this, there would need to be research conducted into Tax Law as to what is permitted. He stated this Legislature would also then have to pass a resolution requesting our State Representatives to allow Putnam County to charge said tax. He stated if it is allowed, then the County can implement it.

Nat Prentice, Resident of Philipstown, and President of the Cold Spring Chamber of Commerce and the Putnam County Business Council stated as a point of reference. He stated there is either a company or an application that allows municipalities to pick up all properties that have been listed as an AirBnb. He stated that would be very helpful with the enforcement of whatever laws are in place.

Carl Albano, Resident of Carmel and past Legislator, stated he agrees the implementation of a small sales tax rate effective in 2024 and it can be adjusted from there. He stated there will probably be more growth and hotels in Putnam County. He stated he believes it would be appropriate, but he would recommend Putnam County’s amount is not more than any other surrounding areas.

Item #5 - Discussion/Collection of Sales Tax from AirBnb, VRBO, etc.

(Discussion included in Item #4)

Item #6 - Discussion/Public Safety Training Center/Town of Southeast

Chairman Ellner welcomed representatives from The Paladin Center - Hudson Valley Shooting Sports Training Center (Paladin). He stated they have requested the County work with them on a partnership involving a First Responders Training Center.

TJ McDermott and James Carcano, Paladin Representatives, stated their appreciation for allowing them to be on the agenda to discuss this important matter.

Mr. McDermott stated a few years back they discussed this proposal for a Public-Private Partnership with the previous Administration. He stated there was a piece of land donated to the County behind Tilly Foster Farm which runs to John Simpson Road. He stated it is a 135-acre parcel. He stated the intent of the donor of the property was that the property would be used to build a First Responder Training Facility. He stated there were many meetings and discussions, however it never materialized.

Mr. Carcano stated the County did issue an RFP (Request for Proposals) and Paladin did respond.

Chairman Ellner confirmed that and stated that the County decided not to award it. He requested confirmation that they are here because Paladin is still interested in pursuing this avenue. He questioned if yes, would this create jobs.

Mr. McDermott stated Paladin is interested in this project and yes it would create additional jobs to the workforce they currently have.

Chairman Ellner stated is it correct that Paladin would provide free use of said facility to the Putnam County's Sheriff's Department, Fire, and Police Departments.

Mr. McDermott stated yes that is correct, it would include all Putnam County first responders. He stated they do that now at the current training facility.

Chairman Ellner questioned how big of a facility would Paladin be looking to build.

Mr. McDermott stated they would need approximately 15,000 – 20,000 square feet, to accomplish what Paladin currently does.

Legislator Addonizio questioned if this proposed facility would operate and provide its training indoors.

Mr. McDermott stated yes, again that is what they do now.

Mr. Carcano stated the only outdoor training done now is when a fire department comes they put their ladder up to the roof.

Legislator Addonizio stated she recalled there were concerns expressed about potential noise.

Mr. McDermott stated where they are now there have never been complaints about noise. He stated their units are self-contained, noise is not an issue.

Legislator Jonke questioned if the Paladin Representatives know what derailed this in the past. He stated because he thinks this is a great business for our community. He stated he has been to

the current facility and attended events there and have observed some of the training sessions. He stated it sounded like everyone was on board with this when it was brought forward in the past.

Mr. McDermott stated they were told because of the for-profit part of the business it was not going to work. He stated Paladin could not figure out how the not-for-profit part of the business could survive without the for-profit part of the business.

Mr. Carcano stated Paladin needs the for-profit to support the not-for-profit.

Legislator Jonke questioned who from the County provided that message to Paladin.

Mr. McDermott stated the County Attorney relayed the message from the previous County Executive.

Legislator Jonke stated he would be in favor of moving this forward. He stated he was aware of the intention of the donation of the parcel, which was to support this business and this operation.

Mr. Carcano stated he believes the Putnam County Sheriff's Department is in support of this also.

Chairman Ellner stated he has discussed with the Sheriff and yes, he is in support of this proposed project.

Legislator Crowley stated the property being discussed butts up to Tilly Foster Farm, which she is aware has many Watershed Agricultural Council (WAC) regulations. She questioned if that would need to be considered with the area that is being considered.

Mr. McDermott stated Putnam County has a great deal of Watershed property. He stated he does not believe it would be a problem.

Mr. Carcano stated there was a second 10-acre parcel, off of Pugsley Road, that was discussed in the past, it butts Route 84 and is on sewer.

Mr. Albano stated that was discussed when he was a Legislator and Chairman of the Physical Services Committee. He stated the 10-acre parcel was owned by the County. He stated the 135-acre parcel, because of a brook that goes through it, would require a SEQR be conducted, he stated he did not recall WAC being an issue. He stated that he believes it is doable.

Legislator Sayegh requested confirmation that Paladin would build the 15,000-20,000 square foot structure on the County parcel.

Mr. McDermott confirmed that was correct.

Chairman Ellner stated it would be a conceptual land lease and Paladin would pay for the construction.

Mr. Carcano stated that was correct.

Chairman Ellner stated he would like to continue these discussions.

Bill Nulk, IDA Chairman, stated the Paladin move was an integral part of the Gleneida Distillery Project.

Mr. Carcano noted that Paladin is the staging point for NYSEG and also had a COVID testing center.

Mr. McDermott stated Paladin has partnered with a Federal program for High Intensity Drug Trafficking Areas (HIDTA) for classroom training. He stated these classes are 50-100 students from all over the country.

Chairman Ellner stated his appreciation for the update and looks forward to working together with Paladin Center.

Item #7 - Approval/Resolution asking Governor Hochul and the NYS Public Service Commission to Dismiss NYSEG and RG&E Rate Hike Requests and to Correct the Billing Problems before Rate Hikes are Considered

Legislator Addonizio stated she is happy to support this initiative. She stated she has been contacted by many constituents whose energy bills have increased greatly.

Legislator Crowley echoed Legislator Addonizio's comments. She stated it is affecting everyone.

Legislator Gouldman stated he is glad this is being brought forward. He requested clarification on the monetary figures in the resolution.

Legislative Counsel Firriolo stated they are averages across NYSEG's entire service area, not just Putnam County.

Mr. Albano stated he dealt with NYSEG many times and had problems with how they handled things, but they have improved.

Legislator Addonizio noted that the energy estimates have been way off.

Chairman Ellner stated some have been off by thousands of dollars.

Legislator Crowley stated she met recently with NYSEG and Assemblyman Slater. She stated there will be new smart meters that will help with the accuracy.

Legislator Sayegh stated she has also heard from many constituents on this matter.

Legislator Nacerino stated this also has to do with keeping people living in New York. She stated young people cannot afford these undue burdens.

Legislator Jonke stated he met with County Executive Byrne and Assemblyman Slater approximately six (6) weeks ago to talk about this issue.

Chairman Ellner made a motion to approve the Resolution; seconded by Legislator Crowley. All in favor.

Item #8 - FYI/Unemployment Report – Duly Noted

Item #9 - Other Business – None

Item #10-Adjournment

There being no further business, at 6:29 P.M., Chairman Ellner made a motion to adjourn; Seconded by Legislator Crowley. All in favor.

Respectfully submitted by Ed Gordon, Administrative Assistant.