

**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 Apprenticeship 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 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 apprenticeship 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 apprenticeship 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.