



Putnam County Industrial Development Agency

2 Route 164, Suite 2B
Patterson, NY 12563
845-808-1031 www.putnamida.com

2021 Operations Report

The Agency

The Putnam County Industrial Development Agency (PCIDA) is a Component Unit of Putnam County Government. It was established under Section 927-f of the Article 18 of the GMU. The Agency's primary mission is to encourage economic growth and expansion through financial incentives, thus advancing job opportunities, health, general prosperity and economic welfare of the people of Putnam County, the mid-Hudson Region and the State of New York. The Agency's operation is funded through project fees and as needed, is augmented by annual appropriations from the County.

The Putnam County Industrial Development Agency serves all municipalities in the County. It is an important incentive tool to facilitate development of sites that are inherently limited for growth by the County's topography, and watershed regulations to protect New York City and local reservoirs.

Organization Management / Administration

The Board Members of the Agency are appointed by the Putnam County Board of Legislators for specific terms. There are currently three vacancies on the seven-member board. The Chair and Members, after active recruiting, anticipate that three new members will be appointed to the Board in 2022.

The Putnam County Commissioner of Finance or his Assistant Commissioner serves as CFO oversight to the Agency.

Contracted services provide legal, technical and compliance assistance.

Interns have provided some part-time staff support. Qualified trained staff has been difficult to recruit as the workload is often 1 or 2 days a month.

The Chair at the direction of Board coordinates interns, staff if available and consultants; responds to requests for information; attends meetings of the County Legislature and Economic Development sub-committee of the legislature; participates in County's economic development team; meets with potential applicants and in general promotes the Agency's benefits and those of Empire State Development (Regional Office).

The Agency is searching for a new firm to develop a Cost Benefit tool as Inform Analytics is out of business. A new firm will be contracted with in 2022.

When in-person meetings are safe, the Chair and members attend technical workshops offered by the NYS Economic Development Council. They also participate in remote webinars offered by NYSEDC, the ABO and other informative opportunities.

Existing and newly enacted compliance requirements are reviewed annually and adopted as necessary.

2021 Impact of Pandemic and Completed Activities

- The Administrative Assistant position remains vacant. Administrative assistance was provided by the part-time college intern employed by Putnam County. Services were curtailed due to the intern's contraction with the virus and a complicated college schedule.
- Compliance Consultant was hospitalized again March of 2021 and was unable to return to work until early summer 2021 resulting in late submissions of PARIS reports for 2019 and 2020. The Website Consultant also contracted the virus in late 2021.
- The website was brought up to date in late 2021. PARIS reports for 2019 and 2021 were submitted. Clarifications, requested, were also made to Office of the State Comptroller.
- Two PILOT lease transfers (of title) were executed.
- The term of the PILOT for Brewster Plastics ended in 2021. The un-paid PILOT payments will be subject to litigation by one or two of the taxing entities. [*See Measurement and Achievement Report.*]
- The Agency utilized Zoom to conduct Agency and related meetings.
- During 2021 the Agency continued to experience major internet issues in accessing its website for compliance and reporting and consequently contributed to lateness in submitting its PARIS reports for 2019 and 2020.

Financial/Purchasing Actions

The Agency issued RFP for IT and Website Maintenance and Services and for Monthly Website Maintenance; a contract was signed with Brim and Brand, the sole respondent, in 2021.

If sufficient project fees are not generated by the Agency, the County Legislature has authorized annual appropriations of up to \$50,000, as needed.

Website Failure and Remediation

In 2019, the County IT Department recommended that the Agency should seek professional

assistance rebuild and maintain the site as it apparently had inherent problems. In 2020, an IT/Website specialist advised the Chairman that the website had:

- Security & Malware Issues
- Expired Plugins
- Broken Links
- Doc. files were downloaded instead of pdf. for agency documents
- Incorrect Site Map

In addition, the site contained:

- Broken links
- Repetitive, missing, and aged documents
- Accessibility issues

In 2021 the Agency contracted with Brim and Brand, to undertake remedial services and provide monthly maintenance subject to ABO website requirements. The Agency has increased its internet service with the local provider. The Agency has also committed to upgrading inadequate equipment and organizing with standardized software.

Financial Report

Pursuant to state legislation enacted in 1990, the Agency entered in a multiyear contract with PKF O'Connor Davis to undertake an annual independent audit in conformance with criteria provided by the Office of New York State Comptroller. The audited report for 2021 found the financial operations and record keeping of the Agency in conformity with generally accepted accounting principles and in compliance with all relevant laws and regulations of New York State. That report is filed online in PARIS and on the Agency's website.

Internal Controls

This statement certifies that the accounting firm PKF O'Connor Davis assessed the internal control structure and procedures of the Putnam County Industrial Development Agency for the year ending December 31, 2021. It should be noted that Putnam County's Assistant Commissioner of Finance will review the Agency's financial activities.

Payment in Lieu of Taxes

Applicants seeking PILOTs are required to discuss the terms with the involved taxing entities.

ONGOING ACTIVITIES AND CHALLENGES

The Agency/Economic Development

The PCIDA in the last two decades has provided financial incentives to facilitate development of commercial and industrial facilities, a hotel, a medical services facility, and a food wholesale distributor. Pending projects include an international distillery and assisted living facility.

To attract new development and expansion of existing business, the Agency is a member of a coordinating team comprised of Putnam County Planning Department, Putnam County Economic Development Corporation, Putnam Tourism, County and local Chambers of Commerce in conjunction with Empire State Development, local utilities, and NYSERDA. As a result, PCIDA is pursuing one project on a former commercial campus located in the town of Carmel and a potential distribution center in the Town of Southeast. The group is a county wide source that offers technical assistance, support and information on available state and local resources.

The Chairman reports regularly with the Economic Committee of the County Legislature and with Town officials to discuss potential projects. Not all are eligible for IDA assistance, but it is import to maintain communication channels and promote the County's Economic Development Team.

Economic Development Challenges

The Agency faces numerous challenges and impediments in meeting its mission:

- The population of Putnam County is 97,118 and is the least populated county in Hudson Valley and New York Metropolitan Areas.
- The majority of the County's well-educated workforce (65.7 percent) is employed out of the county.
- Of New York State's 62 counties, Putnam County ranks 55th in total acreage in area.
- Commercial and industrial development has lagged in Putnam due to implementation of the New York City Watershed regulations effecting over 25% of county land area.
- While the County is traversed by two Interstates (I84 and I684), developable land lacks existing sewers to support large developments.
- The topography of the western areas of the County and two-lane state roads impedes commercial development.

As noted in the New York Times, 'Since 1997, when the New York City and the Croton Watershed communities (in Westchester and Putnam Counties) reached an agreement to protect the

quality of the drinking water, property in the Croton watershed has become some of the most carefully regulated on earth.'