

PUTNAM COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Annual Report of the Economic Development Corporation and the Industrial Development Agency's Activities for the Year 2010

In spite of the difficult economic times experienced within the County in 2009 and 2010, we have found a way to focus our activities to generate a most positive result for 2010 and set the stage for significant growth for the period 2011-2015.

An aggressive position in developing town support of the Empire Zone opportunity prior to its' sunset on June 30, 2010, we were able to certify two (2) specific properties:

- 1) DeCicco's Food & Specialty Market – in the Highlands Development of Southeast (Route 312) opened a 37,000 sq. ft. facility employing 100 people on November 12, 2010.
- 2) Jaral Hotel Properties – has committed to construct the Staybridge Inn on Route 6 in Carmel as a 120 room hotel and convention center which is much needed as our County expands. This hotel will employ 155 fulltime employees and 25 part-time employees. It will involve a \$25 million construction program and construction is expected to start on or about July 1, 2011.

Both of the aforementioned projects realized a 75% tax abatement for 10 years. It should be pointed out that the county and Towns do not forgo property and school tax revenues as the State reimburses each of these businesses for their payments to taxing authorities.

It should also be noted that DeCicco's Markets has estimated their annual volume at \$15 million per year, and the Staybridge Inn is expected to produce between \$6 - \$7 million annually, which will contribute significantly to our sales tax revenue.

Several projects induced by the IDA in 2009 have completed construction and/or moved to start development at the present time are:

- Palma Settimi – 7 Sutton Place – completed construction and occupy their 40,000 sq. ft. office and warehouse facility at the junction of 7 Sutton Place and Fields Lane, Southeast, NY.; 30 people are employed.

- Brewster Plastics, 60 Jon Barrett Road, Patterson – expanded their existing plant with a 42,000 sq. ft. expansion for a total of 60,000 sq. ft. facility. Brewster Plastics has added 15-20 employees to their existing staff as a result of receiving a national contract with McDonalds to product their meal trays.
- Fox Ridge Hotel Suites (a Best Western affiliate) – was approved by the Town of Southeast for their Routes 121-202 48-suite unit Hotel. This project has been challenged by consumer groups, and we await a court decision to begin construction. The project is expected to cost approximately \$4 million and employ 16-20 full-time employees.

In the fall of 2010, the IDA and EDC joined in an effort to strengthen our business working relationships with major business firms by conducting on-site visits to the chief executives of all businesses.

Our purpose in these visits was and will be to discuss the overall business climate currently experienced by each business, to assess ways and means in which the County can assist each business relative to employment, training, energy efficiency and availability of grants/loans from other State and Federal Agencies. We also wanted to develop an awareness of the Red Carpet Business Alliance and the services available through this organization.

As of this date, we have visited and prepared summary reports for each of the following firms visited:

	<u># of Employees</u>
• Ace Endico- Food Service Distribution	143
• Arms Acres – Rehab Facility	
• Brewster Plastics – Plastic Molding Manufacturer	60
• Dairy Conveyer – Material Conveyor Systems	81
• Fryer Machine – Machine & Generator Manufacturer	40
• Hipotronics -	107
• Lamothermic – Molding Piston Engine/Parts Manufacturer	119
• The Plaza at Clover Lake – Senior Living Residence	35

Our visits have served to reaffirm each business commitment to continued operation in Putnam County and a greater appreciation for the scope and size of business enterprises in our County.

As a means of evaluating our longer term contribution to the Economic Development of our County, we have prepared a 10-year summary of results for your review. This review reveals the following facts:

- a. During the period 2000-2009, 10 major businesses (manufacturer, food service and senior residence) were developed. As a result, the property tax contribution to the County & Town is \$782,395 per year as compared with the pre-development land tax of \$36,266. These projects also resulted in a gain of 786 fulltime jobs and an estimated payroll of \$33.4 million
- b. A review of pending projects for the period 2011 to 2016 indicate a “significant transformation of the Counties Commercial development” based upon the “known” projects in the planning stage.

	<u>Start Date</u>
<u>Stateline Retail Complex</u> – Route 6 & 202, Danbury Road, Southeast (210K sq. ft. on a 45-acre site)	2011
<u>Dunmore Industries</u> – Danbury Road, Southeast (3K sq. ft. expansion - \$8 million equipment investment)	2011
<u>Patterson Crossing</u> – Route 311 & I-84, Patterson/Kent (405K sq. ft. on a 90-acre site)	2012
<u>Union Place</u> – Route 6, Mahopac (575K sq. ft. of retail & 350K sq. ft. of _____ plus a 90-room hotel on 300 acres)	2015

These projects are expected to yield an estimated \$9.7 million in property tax and will create approximately 1,400 jobs with an annual salary projection of \$49.2 million.

In net, the combined total results of projects already completed and those planned for the period 2011 to 2015 is as follows:

Jobs created	- 2,971
Estimated Payroll	- \$167 million annually
Net gain in Property Tax	- \$10.8 million annually
Sales Tax	- Very significant but difficult to predict

The aforementioned comments clearly are indicative of a positive economic future for Putnam County and it is our belief that the meaningful development of projects scheduled will serve as an enticement to others to look to Putnam County for a new beginning.