

April 4, 2007

Mr. Daniel Kidera
State of New York
Authority Budget Office
P.O. Box 2076
Albany, NY 12220-0076

Ms. Ann Maloney
State of New York
Authority Budget Office
P.O. Box 2076
Albany, NY 12220-0076

Mr. Craig H. Kinns
Chief of Data Operations
Local Government Service &
Economic Development
NYS Office of the Controller
110 State Street – 12th Floor
Albany, NY 12236

RE: Annual Report of the Putnam County Industrial
Development Agency for the fiscal year 2006.
This report is being filed as of March 31, 2007
as required by New York State Public Authorities
Accountability Act of 2005.

Representatives of the State:

We are pleased to submit details regarding the Putnam County Industrial Development Agency (the "Putnam County IDA") in accordance with instructions received from the Authority Budget Office (the "ABO") under terms existing within the General Municipal Law Article 18-A and other statutes governing IDAs.

I. Operations and Accomplishments:

- A. The Putnam County IDA was established on August 31, 1995.
- B. Our Agency has been in continuous operation for the past eleven years, and we have a six member Board consisting of members from six different towns within the County. The Board has recommended the appointment of a seventh Board member and is awaiting confirmation from the Putnam County legislature.
- C. Our Board approved the employment of a Chief Executive Officer (Burt B. Houseworth) and a Chief Financial Officer (Alan Wolfson) effective December 11, 2006.

In addition, the Board approved the nomination of the following persons to the Governance Committee and the Audit Committee as required by statute.

Governance

Vincent Murphy (2008)
Josh Meyer (2009)
Richard Tully (2007)

Audit

Kevin Bailey (2008)
Richard Ruchala (2007)
Karl Rohde (2008)

D. At the March 15, 2007 Board Meeting, we approved a code of ethics (signed member copies enclosed – see Appendix 1) and the Agency By-Laws were amended to reflect the changes in structure of the Officer Staff (addition of CEO & CFO) and also the appointment of the Audit Committee and the Governance Committee.

E. Listing of IDA financings:

During the period from 1999 to 2006, the IDA has generated 1,221 full-time jobs and 503 part-time jobs. Additions to our County Hospital and United Cerebral Palsy of Putnam have contributed significantly to job creation results. We are also particularly pleased with the development of Ace Endico Corp., a food service distributor that has grown from 136 employees to 151 employees in the last three years and currently generates more than \$74 million in sales.

1. Client Name:

Fryer Machine Systems Inc.
Robin Hill Corporate Park
70 Jon Barrett Road
Patterson, NY 12563

Type of Business: machine tool manufacturer

Initial Application: 8/9/2004 - \$4,000,000 (straight lease)

Building Site – 7 acres

Building – 40,000 sq. ft.

- 31,000 sq. ft. for manufacturing

- 9,000 sq. ft. for community service

(Fryer Machine is exercising option to purchase building & land they have been leasing for the past 6 years.)

Follow-up Straight Lease Transaction - \$600,000.

Employment:

First Year

30

Second Year

37

Third Year

40

2. Client Name:*

Williams Acquisition LLC (Broad Reach LLC, "The Leasing Co.")

d/b/a Pure Tech

(Broad Reach LLC)

42 Mt. Ebo Road, Mt. Ebo Corporate Park

Brewster, NY 10509

Type of Business: manufacturer of evaporation and sputtering materials.

Initial Application:

- Williams Acquisition – Straight Lease - 7/16/1999 - \$6,000,000
- Broad Reach – Series 2006A – 12/29/2006 - \$5,770,000
- Broad Reach – Series 2006B – 12/29/2006 - \$915,000
- Broad Reach – Straight Lease – 12/29/2006 - \$6,000,000
- Williams Acquisition – Straight Lease – 12/29/2006 - \$5,500,000

Employment: Full-time employees in Putnam -

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
82	100	126	151

3. Client Name:

United Cerebral Palsy of Putnam & Southern Westchester County
Robin Hill Corporate Park (Mt. Ebo)
Route 22
Patterson, NY 12563

Type of Business: Provides clinical services to disabled persons.
Provides educational services to children with developmental delays.
Provides medical and rehabilitation services to adults and children
with developmental delays.

Initial Application:

- 12/22/2005 - \$4,300,000 (Tax Exempt) Variable rate Civic Facility
Revenue Bonds 2005A
- 12/22/2005 - \$8,025,000 (Fed. Tax Convert) Variable rate Civic
Bonds 2005B
- 12/22/2005 - \$240,000 (Fed. Tax.) Variable rate Civic Bonds
2005C

Employment:

	<u>2005</u>	<u>2007</u>
Full-Time:	200	204
Part-Time:	15	19
	215	223

4. Client Name:

Mahopac Volunteer Fire Department, Inc.
Route 6
Mahopac, NY 10541
845-628-4414

Type of Business: Civic Facility – fire prevention & protection.

Initial Application: 6/30/2005 - \$5,700,000 Variable Rate Civic Facility
Revenue Bonds

Develop a new 22,000 sq. ft. facility on existing land site of 3.7 acres.

Current Fire Fighting Corp. – 147 active volunteers.

5. Client Name:
Ace-Endico (Sincerity + LLC Facility)
80 International Blvd.
Brewster, NY 10509
914-347-3131

Type of Business: Ace-Endico is one of the top five food service distributors in the metropolitan NY area with sales in excess of \$70 million.

Initial Application: 12/15/2004 - \$9,900,000 Taxable Variable Rate Demand Industrial Development Revenue Bond 2004.

Construct a 100,000 sq. ft. facility in Southeast

Employment:

<u>2005</u>	<u>2006</u>	<u>2007</u>
116	151	200

6. Client Name: Harris Schwartzberg is the principal stockholder.
The Plaza at Clover Lakes (Schwartzberg Associates) (Sister Companies:
838 Fair Street The Plaza at Patterson
Carmel, NY 10512 Clover Lakes Holdings
845-878-4111 Clover Lake Holding LLC)

Type of Business: Senior citizen residence complex – 120 units with assisted living privileges – 50 acre land site.

Initial Application: 11/23/1999 - \$6,000,000 Straight Lease Transaction – 10 year benefit.

Construction began in 1999 and is completed.

Employment:

Anticipated payroll projection:

First year after completion - \$1,100,000
Second year after completion - \$1,300,000
Third year after completion - \$1,400,000
Actual – 2007 – full-time employees - 40

7. Client Name:
Columbia Putnam Hospital Center, LLC
672 Stoneleigh Avenue
Carmel, NY 10512
Michael Weber, President
- Partners:
Joseph Nicolla (36%)
Richard Rosen (14%)
Eric R. Diamond (8%)
- Sister corporations:
Putnam Center (Parent Corp.)
Putnam Hospital Center (Sister)
Craig House Center-Realty (Sister)
- Type of Business: Provides hospital care and medical treatment for the residents of Putnam, Northern Westchester & Dutchess Counties.
- Initial Application:
- 6/30/2000 - Straight Lease Transaction – \$14,700,000
- 12/6/2001 – Straight Lease Transaction - \$1,500,000
- 4/29/2005 – Straight Lease Transaction - \$5,352,000
- Employment:
Full-time employees – 427
Part-time employees – 468
Annual payroll - \$30,250,000
8. Client Name:
Brewster Plastics Inc. (Highland Group LLC) (AKA Glass Onion)
60 Jon Barrett Road
Patterson, NY 12563
845-878-2070
- Mr. Robert P. Wallace – "Authorized Officer"
Owner's Son - Brent Wallace
- Type of Business: Light manufacturing of molds and plastic parts for industrial users and toy manufacturers.
- Initial Application:
- 1/8/1996 - \$3,430,000 Industrial Revenue Bond
- Construction of a 52,000 sq. ft. office/manufacturing facility on 7.4 acres. Company had 9 machines producing \$3,000,000 at time of application. The Company proposes to expand to 18 machines in Phase I and ultimately 24 machines in Phase II of their plan.
- Employment:
Full-time employees at application = 60
Current employees (2/2007) = 95

9. Client Name:
Clancy Propoerties LLC
2963 Route 22, P.O. Box 291
Patterson, NY 12563

Tenant: Hudson Valley DataNet
6,300 sq. ft. lease of Clancy Facility

Mr. John Clancy (50% ownership)
President & Managing Member
Clancy Properties LLC

Mr. Eugene Clancy (50% ownership)
Vice President

Type of Business: Moving & storage company. Sublets space
(16,000 sq. ft.) to technical or light industry tenants.

Initial Application:

- 8/22/2000 - \$3,750,000 Straight Lease Transaction
- 1/17/2002 - \$750,000 Straight Lease Transaction

Construction of a 60,000 sq. ft. facility with additional 5,500 sq. ft. of
office space. (This is a corporate headquarters facility –
consolidating Patterson, Brewster & Danbury.)

Employment:

	<u>Present 2000</u>	<u>2001</u>	<u>2002</u>
Full-time	35	45	50
Part-time	10	13	16

Many of these clients have contributed significantly to our tax base as indicated by the following summary from the Town of Southeast (Brewster).

Town of Southeast
School Taxes Paid

<u>Year</u>	<u>Ace Endico</u>	<u>PureTech/ Broad Reach</u>	<u>Unilock</u>	<u>Dynacept</u>	<u>Powers Products</u>	<u>Total Per Year</u>
2006-07	103,204.65	52,940.92	115,913.08	73,302.26	155,111.48	500,472.39
2005-06	0	76,055.92	119,163.35	70,638.54	179,789.99	445,647.80
2004-05	0	67,832.20	112,628.55	62,582.38	165,258.06	408,301.19
2003-04	0	62,255.74	110,420.86	43,773.74	156,567.65	373,017.99
2002-03	0	44,492.26	108,290.80	43,179.68	149,066.70	<u>345,029.44</u>
Total Taxes Paid =						\$2,072,468.81

Town of Southeast
County Taxes Paid

<u>Year</u>	<u>Ace Endico</u>	<u>PureTech/ Broad Reach</u>	<u>Unilock</u>	<u>Dynacept</u>	<u>Powers Products</u>	<u>Total Per Year</u>
2006	0	14,164.57	21,477.47	13,232.18	32,683.96	83,564.18
2005	0	13,011.01	16,642.89	12,084.54	29,869.63	73,613.07
2004	0	12,134.06	19,422.56	11,194.86	29,576.10	74,331.58
2003	0	11,363.25	19,187.56	8,009.06	27,645.56	68,208.43
2002	0	9,840.48	21,367.45	9,056.26	35,149.14	<u>77,415.33</u>
Total Taxes Paid =						\$377,132.59