

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

Chairman Gouldman, Legislators Addonizio & Sayegh

Tuesday

6:00PM

June 19, 2018

The meeting was called to order at 6:02 P.M. by Chairman Gouldman who led in the Pledge of Allegiance. Upon roll call, Legislators Addonizio, Sayegh and Chairman Gouldman were present.

Item #3 - Approval of Minutes – May 24, 2018

The minutes were approved as submitted.

Item #4 - Discussion/Putnam County Economic Development Corporation/Request for Funding/Accelerator Project

Chairman Gouldman made a motion to waive the rules and accept the additional; Seconded by Legislator Addonizio. All in favor.

Jill Varricchio, President of the Putnam County Economic Development Corporation (EDC) stated this is a proposal for an accelerator on the western side of the county to help bring balanced growth and thoughtful economic development to Putnam County. She stated New York State has challenges with recruiting and retaining new businesses. She stated the Hudson Valley region has been making significant progress. She stated taxpayer funds would be well invested in this project. She stated she hopes by the end of the presentation the Legislature will agree. She introduced Chairman of the EDC Board, Richard Weiss.

Board Chairman Weiss stated members of the EDC has educated themselves on the possibilities of getting an accelerator into Putnam County. He stated it is a great opportunity that has been embraced by other counties. He stated the purpose of the proposed accelerator is to bring international business into the county. He stated Putnam County has advantages such as proximity to New York City and transit availability.

EDC President Varricchio introduced Juan Carlos Salcedo, who owns the property of the proposed accelerator.

Mr. Salcedo stated he has been doing international business for 30 years. He stated Town of Philipstown Supervisor Richard Shea came to him with the idea to meet with EDC President Varricchio, and she introduced him to the organizers of the Orange County Accelerators. He stated he would like to use his property for a good purpose, such as bringing international business to the county. He handed out pictures of the property.

Chairman Gouldman made a motion to waive the rules and accept the additional; Seconded by Legislator Addonizio. All in favor.

EDC President Varricchio introduced Managing Partner of Galileo Technology Group (Galileo) Vincent Cozzolino and Chief Operating Officer of the Orange County IDA (Industrial Development Agency) Laurie Villasuso. She stated they have a history of successful accelerators.

Mr. Cozzolino stated accelerators are business incubators. He stated there are accelerators all over the country. He stated the Orange County IDA hires Galileo to run their accelerators. He stated there are currently seven (7) accelerators in Orange County, with three (3) more planned. He stated he is part of the Regional Economic Development Council (REDC) and a lot of the \$100,000 funding for the proposed accelerator is from a CFA (Consolidated Funding Application) through the REDC. He stated they are requesting \$60,000 from the County for the operating budget. He stated the CFA funding can only be used for facilities and equipment, not operations.

Legislator Sayegh questioned if the \$60,000 request is annual.

Mr. Cozzolino stated it is a one (1) time request to help with the start up. He stated they could come back to the Legislature in the future if more funding is needed.

Legislator Sayegh questioned if there will be another CFA.

Mr. Cozzolino stated they are putting in another application. He stated they look for different funding opportunities. He stated the Orange County Accelerator has many supporting partners. He stated the accelerators they set up have SMARTT (SUNY Manufacturing Alliance for Research and Technology Transfer) Labs with equipment that companies value, such as 3D printers and electron microscope that were purchased with CFA funding.

Chairman Gouldman questioned if all seven (7) accelerators work together but are managed separately.

Mr. Cozzolino stated yes they all work together but are managed separately. He stated each accelerator has its own theme. He stated they always start with a SWOT (Strengths, Weaknesses, Opportunities, and Threats) assessment to come up with a specific idea for an area. He stated they always look to use an existing building. He went over the specifics of the accelerator in the Town of New Windsor and City of Middletown in Orange County. He stated there have been many success stories from these accelerators. He stated the SWOT assessment brought about the idea of an international business zone. He stated the property for the proposed accelerator in Philipstown is just a few minutes from the train station so it is a desirable location.

Chairman Gouldman made a motion to waive the rules and accept the additional; Seconded by Legislator Addonizio. All in favor.

Ms. Villasuso detailed a sketch overview of how the accelerator is envisioned. She stated they have worked with Mr. Salcedo to make sure the rent pricing is attractive enough to bring businesses in. She stated Galileo would help the businesses with networking.

Mr. Cozzolino stated if this accelerator is successful the County could consider putting another on the eastern side of the county.

COO Villasuso stated the Orange County IDA does not report to the Legislature in Orange County, though they do go in front of Orange County's Education & Economic Development Committee to keep them updated. She stated they have received unanimous support from the Legislators whose districts the Orange County accelerators are in.

Legislator Addonizio questioned if funding was requested from Orange County.

Ms. Villasuso stated no, the Orange County IDA is well funded so it solely funded the accelerators.

Mr. Cozzolino stated most accelerators receive their funding through IDAs. He stated if the Putnam County IDA had sufficient funding for the project, they would be asked for money.

Chairman Gouldman questioned how many jobs can be expected.

Mr. Cozzolino stated about 20 jobs.

Chairman Gouldman questioned what the square footage of the building is.

Mr. Salcedo stated it is 10,000 square feet.

Chairman Gouldman questioned how businesses will be picked to be put into the accelerator.

Mr. Cozzolino stated it is done by reaching out through networking, not applications. He stated they do a background and financial check.

Chairman Gouldman questioned what benefits the businesses receive.

Mr. Cozzolino stated they are able to rent their space below market value, access to specialty equipment, access to the Galileo consulting team.

Chairman Gouldman stated this would help with tax money. He questioned what the next step would be if the accelerator is successful.

Mr. Cozzolino stated they would like for the businesses to find permanent spots in Putnam County. He stated they would also like to bring another accelerator.

Legislator Addonizio questioned if Westchester County has an accelerator.

Mr. Cozzolino stated they have not created one in Westchester.

Legislator Addonizio questioned why that is.

Ms. Villasuso stated Westchester is successful with business growth on their own and they have not reached out about creating an accelerator.

Mr. Cozzolino stated there will an accelerator in Dutchess County soon.

Legislator Sayegh questioned what the success rate is.

Ms. Villasuso stated there were two (2) failed accelerators in Orange County before Galileo was brought on. She stated now they have had four (4) successful accelerators.

Mr. Cozzolino stated the other accelerators are still in their beginning stages.

Legislator Sayegh questioned how long the businesses are in the accelerator.

Mr. Cozzolino stated the most is three (3) years, which is the industry standard.

Ms. Villasuso stated between the New Windsor and Middletown accelerators in Orange County there have been 20 startup companies with 80 jobs created.

Chairman Gouldman questioned if this project has been proposed to County Executive MaryEllen Odell.

Mr. Cozzolino stated it has not.

Chairman Gouldman questioned if the Town of Philipstown supports the project.

Mr. Salcedo stated yes, it was Town of Philipstown Supervisor Richard Shea who introduced Mr. Salcedo and EDC President Varricchio.

Chairman Gouldman stated this project is a great idea. He questioned if the Legislators can go for a tour of the site and a current accelerator.

Ms. Villasuso stated yes.

Lynne Eckardt, Town of Southeast Councilwoman, questioned if the owner of the building would still be paying property and school taxes.

Mr. Cozzolino stated yes.

Councilwoman Eckardt questioned if there will be a PILOT (Payment In Lieu Of Taxes) program.

Mr. Cozzolino stated there would not.

Councilwoman Eckardt questioned which is the longest running, successful accelerator.

Mr. Cozzolino stated the one located at Stewart Airport has been running for approximately three (3) years.

Councilwoman Eckardt questioned if there is outside control over the rent.

Mr. Cozzolino stated there is a fixed, lower than market rent structure.

Councilwoman Eckardt questioned if the rent amount would be public.

Mr. Cozzolino stated it will be, further along in the process.

Councilwoman Eckardt questioned if there is more specific economic data regarding these projects.

Mr. Cozzolino stated they have a report from Pattern for Progress that they use as guidance.

Councilwoman Eckardt questioned if data on the earlier accelerator projects is available.

Mr. Cozzolino stated yes it is available.

Councilwoman Eckardt questioned how far the site is from Interstate 84.

EDC President Varricchio stated it is three (3) miles.

Councilwoman Eckardt questioned how far the site is from the Metro North train station.

Mr. Salcedo stated it is approximately a seven (7) minute drive.

Councilwoman Eckardt questioned what the process will be from here.

Chairman Gouldman stated the project would have to go in front of the County Executive, who would then provide a letter of support and it would come back to this committee for approval.

Legislator Castellano questioned if the site is a brand new building.

Mr. Salcedo stated it was purchased in the late 1990's and refurbished in the mid 2000's. He stated there was a private business operating at the site up until recently.

Legislator Castellano questioned if the building will be refurbished again.

Mr. Cozzolino stated yes the building will be broken up into rooms.

Legislator Castellano questioned how long that process will take.

Mr. Cozzolino stated probably three (3) months.

Legislator Addonizio questioned how long the agreements with the landlords of the accelerators are.

Mr. Cozzolino stated the landlords are asked to commit to five (5) years.

Chairman Gouldman stated this is a great concept and brings potential for new tax dollars and new employers to help revitalize Putnam County. He stated he would love for this accelerator to be successful enough to warrant an accelerator on the eastern side of the county.

Legislator Jonke stated the eastern side of the county has a Metro North train line as well and would be a great location.

Legislator Nacerino stated the accelerator is a great concept.

Legislator Castellano questioned if New York City based businesses would be looked into for this accelerator.

Mr. Cozzolino stated not for this accelerator as it will be focused on international business. He stated each company in this accelerator will be emerging in the United States.

EDC President Varricchio stated none of the other accelerators in the surrounding area are focused on international business, therefore Putnam County is positioned to be very unique.

Chairman Gouldman thanked the EDC for bringing this project forward and thinking outside the box.

Item #5 - FYI/Unemployment Report – Duly Noted.

Item #6 - FYI/Foreclosure Report – Duly Noted.

Item #7 - Other Business – None.

Item #8 – Adjournment

There being no further business, at 7:01 P.M., Chairman Gouldman made a motion to adjourn; Seconded by Legislator Addonizio. All in favor.

Respectfully submitted by Administrative Assistant Ed Gordon.