

Economic Development Committee Minutes
April 5, 2018 – 3:30 p.m.

Present: Chairman Matthew Veitch; Supervisors Phil Barrett, Alan Grattidge, Art Johnson, Jack Lawler, Scott Ostrander, Tom Richardson and Chairman of the Board Ed Kinowski; Spencer Hellwig, County Administrator; Andrew Jarosh, Treasurer; Marty Vanags, Shelby Schneider, Michael Hagerty, Saratoga County Prosperity Partnership; Pete Bardunias, Southern Saratoga County Chamber of Commerce; Greg Connors, Globalfoundries; Press.

Chairman Veitch called the meeting to order and welcomed all in attendance.

On a motion made by Mr. Grattidge, seconded by Mr. Johnson, the minutes of the March 1, 2018 meeting were approved unanimously.

Mr. Jarosh distributed a handout and gave a brief update on occupancy tax. Some key takeaways from the report: Saratoga County annual taxable room revenue and occupancy tax revenue has increased 207% from 2000 to 2017. The 3rd quarter revenue (which includes August) increased 187%. The other quarters are increasing at a faster rate than the 3rd quarter.

Mr. Jarosh said that several new hotels have opened up across the County and the total number of rooms available has increased, therefore the occupancy rate is declining. Mr. Lawler expressed concern over supply and demand, more rooms available leads to lower prices which leads to lower revenue.

Mr. Vanags introduced Mr. Hagerty who is the new economic development specialist for SCPP. Mr. Vanags distributed a handout and gave an update on Next Wave Communities, a new initiative being undertaken by SCPP. This will offer Towns within Saratoga County with a more specific layer of economic development strategy. SCPP are currently working with the Town of Moreau and are also talking with the Town of Milton. Mr. Vanags gave a description of the multi-phase process. The service is available to all Saratoga County Towns, City and Villages, and interested Supervisors are encouraged to reach out to SCPP. Mr. Lawler suggested that Mr. Vanags address the entire board and give an update on this initiative.

Mr. Bardunias distributed a handout and gave a brief update on the Community Development Program of the Southern Saratoga Chamber of Commerce. Funding from Saratoga County is \$30K this year. Projects include continuation/maintenance of past projects, continued advocacy with Scenic Hudson and other groups for a viable plan to restore full navigational channel depth and use of the river, Area 3 project in the Town of Halfmoon, Pursue Canal Corporation grant as lead agency, Kayak Hub in Round Lake, Saratoga County Fair Tent enhancement, and Return the Favor upgrade at I-87 information center. Mr. Bardunias reminded Supervisors that the rest area TV's are available to promote local events. Local Community Business Alliance meetings are held throughout the County for various projects.

Mr. Connors gave a powerpoint presentation on Globalfoundries to date. Mr. Connors thanked the Saratoga County Board of Supervisors and staff for their support throughout the years. Globalfoundries was created in 2009 as a spin out of AMD, they acquired Chartered

Semiconductor in 2010 and acquired IBM Microelectronics in 2015. It is the largest privately held semiconductor company in the world, second largest foundry, and since 2009 have grown 8X in capacity. They have more than 250 customers, 25K+ patents and applications, approximately 18K employees worldwide with 4,800 in NYS at three sites, Malta, East Fishkill and CNSE SUNY Poly Albany. Approximately 1,000 technologists at Fab 8. Globalfoundries has sites worldwide including Singapore, Dresden Germany and Fab11 under construction in Chengdu, China.

East Fishkill purpose was re-missioned to include 5G and Photonics and in Malta the push is for the leading edge of high performance chips.

When the State of NY and AMD first negotiated the grant agreement that brought AMD to Saratoga County, based on NYS's initial financial commitment, they required Globalfoundries to make an additional investment of \$3.2B, provide a direct full time headcount of 1,200 with an annual payroll of \$72M. The actual investment made to date is over \$12B with an approximate headcount of 3,300 and an annual payroll of \$345M. There are also between 800-1,000 contractors from skilled trades.

Economic Impact to local towns: Since 2011 they have paid over \$90M in local taxes and fees which includes funds for K-12 education. Globalfoundries Community foundation has granted over \$1.1M to over 300 athletic and non for profit community organizations. The Semiconductor Industry Association has estimated that Globalfoundries presence has generated over 15,000 indirect jobs in the region. 72% of Fab 8 employees live in Saratoga County, most of which live in the Clifton Park/Halfmoon area followed by Saratoga Springs, Malta and Stillwater.

Mr. Connors said that they hold quarterly roundtables with employees to go over any issues or needs that they have. One issue is the lack of a public transportation system, many employees have been recruited from larger metropolitan areas where a public transportation system is second nature. They have had several conversations with CDTA on this issue, one of the problems is that the bus is not permitted past the checkpoint due to homeland security.

Mr. Veitch said that the Tourism Advisory Committee met on Monday and discussed Air BNB and how to handle occupancy tax from those providers. Currently in the Occupancy Tax Law there is a special section cut out for the City of Saratoga Springs providing 3% for the City and 2% for the Tourism Bureau, there is also a limitation for places that are 4 units or fewer. The City is looking at potentially doing a resolution to be able to subject these smaller units to occupancy tax. The City plan on bringing this forward within the next few months and will be passing it onto the County to request home rule approval for the change. Mr. Jarosh said that this would bring the number of registered facilities that pay occupancy tax from approximately 100 to well over 600. Mr. Jarosh said that the additional revenue to the County would be approximately \$20K, the main revenue increase would be collected by the City of Saratoga Springs.

On a motion was made by Mr. Lawler, seconded by Mr. Richardson, to the meeting was adjourned unanimously.

Respectfully submitted,
Therese Connolly
Deputy Clerk of the Board