

Economic Development Committee Minutes
June 6, 2019 – 3:00 p.m.

Present: Chairman Phil Barrett; Committee Members Art Johnson, Todd Kusnierz, Jack Lawler, Tom Richardson, Tim Szczepaniak; Supervisors Jonathon Schopf, Darren O'Connor, Scott Ostrander, Tara Gaston, and Ed Kinowski; and Chairman of the Board Kevin Tollisen; Spencer Hellwig, County Administrator; Steve Dorsey, County Attorney; Press; Attached attendance list.

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

On a motion made by Mr. Kusnierz, seconded by Mr. Johnson, the minutes of the May 9, 2019 meeting were approved unanimously.

Mr. Barrett handed out the proposed roles and responsibilities for the Saratoga Economic Development Corporation (SEDC) and the Saratoga County Prosperity Partnership (SCPP) under a proposed Saratoga County Economic Development Reform and Structure Plan (attached to this set of minutes). He said the new structure will further solidify Saratoga County as the most attractive place in NYS to retain and attract private sector investment, expand the tax base, while maintaining low level taxes and a wonderful quality of life.

Mr. Barrett read the main points of the proposal and said the information contained in this proposal is a concerted effort by individuals/representatives from both the SCPP as well as SEDC. They formed what is known as the Unity Committee. This Committee was tasked to explore alternatives on how the two organizations can work together and how as a team we can make sure the allocated funds are being spent effectively and efficiently as possible; producing results which is the ultimate goal. The Committee was comprised of three members of each organization that were appointed by their boards and the Presidents of each organization were involved as well. The proposal before the Committee today has been approved by each organization's boards.

Mr. Kusnierz said he was on the Unity Committee along with Charles Wait, Brenden Chudy from SCPP; John Munter, Steve Seaboyer, Cindy Hollowood from SEDC. He said on April 23rd the Committee presented their proposals to the SEDC and the SCPP's Boards. These boards met separately and approved the structure the Unity Committee proposed. Mr. Kusnierz said it was clear at the Unity Committee meetings that both entities wanted to restructure economic development policy in Saratoga County. He said the Executive Directors of both organizations played an intricate role in this process. Mr. Barrett said the Unity Committee worked towards the goal to erase duplicative efforts and have clear roles and responsibilities.

Mr. Barrett said part of the goal of these changes is to enhance our efforts as a team by utilizing an organization with decades of experience. SEDC has operated for many years and they were producing results. When the county was funding the organization, they produced results and now it has been years since SEDC received funding and they have continued to do a good job. Having SCPP that can work directly with the municipalities to help them with grant applications, research grant opportunity, to be a resource, and planning is vitally important for development to be successful. He said he has heard many times from his colleagues that there is a need for a resource to help with studies and planning. Mr. Barrett said the proposal contains developing an Economic Development Planning

Fund that would provide seed money to individual municipalities for grant applications, planning or studies. The money in this program would be overseen by SCPP and the Economic Development Committee on an annual basis. Mr. Barrett said the proposal contains funding through the bed tax as follows: SEDC - \$150,000, Economic Development Planning Fund - \$150,000; SCPP – 50% of bed tax receipts. Mr. Barrett said the oversight would consist of monthly meetings with the Chairman of the Board, past Chair of the Board, Chair of Economic Development, Chair of the Board of SEDC, Chair of the Board of SCPP as well as the presidents of both of those organizations.

Mr. Lawler said he is unclear what is being asked of the Economic Development Committee, as the proposal appears to be an agreement between SCPP and SEDC to form a collaborative organization. They do not need the approval from the Board to accomplish this as it appears this would be for the good of the County.

Mr. Barrett said before the Committee today is a proposal to change the economic infrastructure of Saratoga County. There are changes in what the program is today. The agreement with SCPP is approved annually and he believes a service agreement with SEDC would require the same. Mr. Lawler said SCPP's contract and funding is reviewed and approved annually. That is part of the budget process and ultimately approved by the full Board of Supervisors.

Mr. Lawler said his one concern with the proposal is regarding the funding for these organizations, which was adopted by both SCPP and SEDC. He said neither of the Boards, SCPP or SEDC, has the right to bind the Board of Supervisors to any funding obligation.

Mr. Kusnierz said the Unity Committee did not discuss funding. Both entities understood that the Board of Supervisors through the budget process would handle that. Mr. Lawler said he appreciates that explanation. He said the proposal that was distributed includes a funding request, and if the proposal before this committee contains a funding request, that section be taken out as neither organization has the right to commit the County to spending any money. Secondly, any funding request such as this should be part of the budget process. Mr. Barrett said they would be. Mr. Lawler asked if that part would be stricken from the proposal. Mr. Barrett said no, it would not be stricken. The Economic Development Committee does not speak for the Board and proposal before the committee today is just that, a proposal. Mr. Johnson asked if the method of funding is being voted on today. Mr. Barrett said yes.

Mr. Lawler said he has some additional concerns regarding funding and the SEDC. His concerns go back a long way and added the Board members have received correspondence from the Authorities Budget Office. Mr. Lawler asked if SEDC would agree to be regulated by the Authorities Budget Office (ABO). Mr. Tollisen said he spoke with SEDC's attorney who indicated they had sent a response to the ABO and that there had been no further inquiry. He said that it would be expected that both organizations would comply with all laws. Mr. Johnson said he would like an opinion from the ABO and maybe the County Attorney as well as to whether ABO rules and regulations are part of the rules and regulations they will comply with. Mr. Lawler said he would agree with that; and, before the Committee agrees to fund that kind of money that question should be answered. He said if SEDC agrees to comply with that opinion that he would agree to move forward with that funding request. Mr. Sczcepaniak suggested adding that language to the proposal. Mr. Lawler said he would be happy to support that but the agreement is between SCPP and SEDC and not with the County.

Mr. Barrett said there were inquiries years ago, 2011, from the ABO. SEDC answered those inquiries and that was the end of it. SEDC still received County funding after the inquiry. SEDC has been a competent, successful organization since 1976; and, clearly understood what they needed to do to be a viable entity including any reporting they are required to do. Mr. Barrett said past agreements with the County contained language listing certain documents SEDC had to provide. Mr. Barrett referred to a copy of the 2012 contract between SEDC and the County listing the reporting requirements included in that contract. He said the County would continue to expect the same reporting in any agreement going forward including SEDC's budget, financial statements and compensation schedule. Mr. Lawler stated SEDC's reporting would be the same as required under the Public Authority's Law. Mr. Lawler asked what the harm was in getting an opinion from the ABO. Mr. Barrett said the bottom line is SEDC understands what they need to do to remain a viable organization. Mr. Lawler said he might not be making his concern clear. His concern is not SEDC but the Board of Supervisors and to make sure any organization given funding is in compliance with State regulations. Mr. Barrett said if they were not they would not be a viable entity and not able to enter into a services contract with the County.

Mr. Kusnierz asked if the County Attorney vetted all services agreements prior to them being signed to ensure that County is working within the confines of the State and Federal Law. Mr. Dorsey said his office does and the County Auditor, before releasing funding, makes sure all necessary supporting documents are provided. Mr. Dorsey said it was not general practice to contact the ABO before entering into a contract but would do so if asked by the Board. Mr. Barrett asked County Attorney Dorsey if he could get the Committee an opinion on the question about the ABO applicability to this situation.

Mr. Schopf said the proposal before the Committee today is simply to advance the proposal on to a full vote of the Board. If the Board approves the proposal there will be two services agreements created. One will be for the SCPP and one for SEDC with the form and substance to be approved by the County Attorney. Today the vote is on a proposal and not on those agreements or the funding.

Mr. Kinowski said in view of the budget process being right around the corner an opinion is essential.

Mr. Tollisen said this is a framework to move forward to accept what two boards and the Unity Committee have put together. There is no money this year in the budget for this. It is agreed upon by both organizations that they must abide by all State and Federal rules and regulations. If they cannot, they will not get the funding. Mr. Johnson's concern is that the proposal in front of the committee contains funding. Mr. Tollisen said that funding request is for 2020 and not for now.

Mr. Lawler said one of the reasons it makes a lot of sense getting an opinion now is for those Board members that were there, read the information that has been distributed, in 2011 there was a great deal of disagreement of opinions between the ABO and SEDC. He does not want to see the Board in the middle of a funding request until an opinion is secured. Mr. Barrett said that was eight years ago and expects any agreement with any organization would fully expect to follow all reporting guidelines.

Ms. Gaston asked for clarification on the resolution being presented. Before the committee today is a proposal for a framework for two businesses for approval. She said she supports the framework but does not understand why the proposal needs to be approved by the Board except for the additional

funding request. Mr. Barrett said if Saratoga County is going to have a successful Economic Development Plan than it is up to the Committee to provide leadership and guidance in that effort. He said this would also approve funding. Ms. Gaston said she thinks having an opinion moving forward would be good. Mr. Barrett said there is plenty of time to do that, as the framework is what is being moved forward now. He added there is plenty of time to do our due diligence.

Mr. Schopf asked if all the information has been received from SCPP. Mr. Lawler said the SCPP has been ABO compliant. Mr. Barrett said they are a different organization than SEDC and different organizations have different reporting requirements. SEDC was not created by a public entity.

Mr. Richardson said even if this is moved forward Mr. Dorsey will still have to review this. Mr. Lawler said all that is being asked today is for Mr. Dorsey to give an opinion and for the ABO to get an opinion.

Mr. Barrett said Mr. Brobston from SEDC is in the audience. He asked Mr. Brobston if it was SEDC's intention and commitment to follow through and complete all the necessary reporting whether it be the current regulations today from the State and the IRS or any future changes in that regard. Mr. Brobston said it has always been their intention to do that. He added in the past SEDC has supplied reports and they have no documentation stating they are not in compliance and they will continue to do what they need to do. Mr. Lawler asked if it was SEDC's intention, then, if the ABO opines that SEDC is subject to ABO reporting and regulations are you saying that SEDC will comply with that. Mr. Brobston said that no, SEDC will argue the point that because of the type of business SEDC is, we would still have our rights to argue the point to protect information and work with them as we have done for many years. He added after 2011 SEDC did not receive a report back from their response to the ABO's inquiry and therefore it was assumed from SEDC that SEDC was no longer under their jurisdiction and never were. Mr. Lawler said SEDC would have the right to disagree with the ABO. He is suggesting as a Board that the County should know what ABO thinks and if there is a disagreement then the County should know what that is.

A motion was made by Mr. Lawler, seconded by Mr. Johnson, for Committee support of the proposal presented with the amendment that the County secure a legal opinion from the Saratoga County Attorney and the Authorities Budget Office of New York State regarding SEDC's status as a required reporting agency. The motion passed by a 4 to 2 vote.

Mr. Tollisen commended SEDC, SCPP, the Unity Committee, Marty Vanags and Dennis Brobston on their work on the proposal presented today.

A motion was made by Mr. Szczepaniak, seconded by Mr. Richardson the meeting was adjourned unanimously.

Respectfully submitted,

Pamela Wright
Clerk of the Board

Attendance

JOHN E. MURTER

TOM SAVINO

DAVID COLLINS

ANGELA REDDIE

DEMIS BROBSTON

Theresa Skaine

JOSEPH DALTON

Ryan Van Amburgh

Tom Sanascott

Cynthia Holloway

Brian Holloway

Jim Marco

Susan Rowland

Doctor Maceri

JOE RILEY

Doug Ford

Robin Cooper

Wendy Lubertor

Shelby Schneider

Marty Vanags

Dan Jaross

Jennifer McCloskey

Ridge Harris

Pete Bardunias

Saratoga County Board of Supervisors

MEMO

June 6, 2019

To: Economic Development Committee

From: Phil Barrett, Chairman Economic Development Committee

The attached information reflects the proposed Roles and Responsibilities for SEDC and SSCP under the new Saratoga County Economic Development Reforms and Structure. The information contained in these documents is the product of the Unity Committee, comprised of members of the Boards of SEDC and SSCP. After the Unity Committee completed their work, the Roles and Responsibilities were approved by the Boards of both the SEDC and SSCP. We appreciate the extensive effort and time invested by the two organizations to uniquely position Saratoga County to offer a successful Economic Development Program and strengthen our individual communities.

Proposed funding levels and new oversight implementation is also detailed in this document for consideration of the Economic Development Committee.

SEDC Roles and Responsibilities:

- SEDC will be the primary point of contact for existing and incoming businesses which are looking to expand or newly invest in Saratoga County.
 - SCPP will send all referrals to SEDC.
 - SEDC agrees to include SCPP in press releases if referred by SCPP.
- SEDC will lead, strategically plan, and manage the marketing efforts and business attraction activities for economic development including advertising, prospect communication, site visits, recruitment, trade shows, site selector visits incentive development through IDA's, etc.
 - SEDC has a demonstrated history of market insight and successful industry collaboration formulating economic development and target sector strategies.
 - It is important to note that the development and execution of the strategic marketing vision will be a collaborative effort between SEDC and SCPP.
 - It is also important to note that as we move forward and speak a common message for the County, coordination will need to take place for all persons with external responsibilities for economic development communications.
- SEDC will serve as the administrator for Saratoga County IDA's and prepare applications, facilitate meetings as warranted and work through the entire process with clients.
 - SCPP will refer any IDA/PILOT project to SEDC.
- SEDC will continue to work with private and public sectors on site identification and development.
 - SCPP will notify SEDC of any opportunities.
 - SEDC will continue to curate SEE Saratoga for available inventory.
- SEDC will continue its Innovate 518 admitted Spark Saratoga incubator and accelerator programming to increase entrepreneurship and opportunities for existing businesses to support growing businesses. This includes a very strategic advanced electronic design initiative unique to the USA to boost innovation in the semi-conductor industry (EDI2).

SCPP Roles and Responsibilities

- SCPP will support SEDC in the execution of the strategic plan for marketing to promote Saratoga County business assets and attract economic development opportunities.
 - SEDC will develop the strategic marketing plan in consultation with SCPP.
- SCPP will be the lead for the group of activities categorized: Next Wave Communities
 - SCPP will continue its work on the Next Wave Communities initiative to provide community economic development and economic development planning services at the local level.
 - SCPP will assess needs, identify gaps and coordinate technical assistance for municipalities' local plans to foster more investment.
 - SCPP will identify grant proposals eligible from federal, state and other agency funds to increase opportunities for business, infrastructure, and technical needs from its analysis.

- SCPP will lead, plan and manage marketing for municipalities' community and economic development.
- SCPP is the ombudsmen between the municipality and the development community to heighten awareness of municipalities' wants and needs for future potential development.
- SCPP will provide systemic assistance to local businesses with international trade opportunities.
- SCPP will continue to conduct their business retention program to gather information about companies locally and to identify new projects. To the extent local businesses needs assistance, the SCPP will provide that assistance with the exception of development or IDA related activity which will be referred to SEDC.
- SCPP will report to the community, aggregated information from local companies as it pertains to Saratoga County's economy and assess information for leads and prospects on potential supply chain opportunities.
 - All qualified leads requiring project development assistance as outlined in this document will be referred to SEDC appropriately.
- SCPP will provide workforce development assistance and assist businesses with identifying and accessing workforce development training and programs.
 - SCPP will maintain their position on the Saratoga, Warren and Washington County Workforce Development Boards.
- SCPP will maintain a clearing house of data about Saratoga County, the business community, industry sectors and other resources needed for businesses and communities to make critical decisions and will share the information with SEDC as needed.
- The SCPP will continue its work in the marketing and promotion of Saratoga County as a place for semiconductor industry including the SEMI ASMC event and its relationship with GSA. The SCPP will continue to work with the GSA on its Silicon Summit East. Any semiconductor or tech related projects requiring IDA assistance will be referred to SEDC.

Proposed Funding for New Economic Development Structure

1. Saratoga County enters into an annual services contract with SEDC - \$150,000
 2. SCPP receives half of the Bed Tax Receipts collected by the County - \$543,000
 - Legislation that created SCPP stated the organization would receive half of the Bed Tax Receipts
 - Bed Tax Receipts for 2018 totaled - \$1,086,000
 3. New Economic Development Planning Fund- \$150,000
- These monies will be re-directed and set aside in a separate fund earmarked for municipalities to request assistance with (1) seed monies for grant opportunities such as grant writing or match funds needed for certain projects(2) GEIS studies of certain areas of town, planning and zoning needs such as master plan or master plan update, and (3) general economic growth (street lights, sidewalk) .

- All funding applications for the Economic Development Planning Fund shall be submitted to SCPP and then determinations shall be made by the Economic Development Committee after a presentation from SCPP President to the BOS. A set maximum amount of award should be set annually to ensure assistance to as many municipalities as possible during a given year. (EX. \$10,000 or \$25,000). SCPP will then work with the municipalities to ensure success of their initiative.

OVERSIGHT

Proposed oversight will entail monthly meetings of the Chair of the Board of Supervisors, Past Chair of the Board of Supervisors, Chair of Economic Development Committee, Chair of the Board of SEDC and SCPP, and the President of SEDC and SCPP. All monthly meetings will provide oversight by the BOS, guidance on economic development events, sharing of information with BOS as to active economic development leads, and assistance with any issues between the two organizations.

Both organizations will attend all Economic Development Committee monthly meetings and make presentation on their economic development activities.

Both the SEDC and SCPP Boards will have one member on their originating Board to attend all meetings and be part of the discussion. This will be another layer of continuity between the Boards.

The Chair of the SEDC and SCPP will choose a designee to sit on the other respective Board for continuity and oversight.