

Economic Development Committee Minutes
December 9, 2020 – 3:00 p.m.

Present: Chairman Jack Lawler; Committee Members Ed Kinowski, Dan Pemrick, Jean Raymond, Tom Richardson, Jon Schopf, Kevin Tollisen; Supervisors Todd Kusnierz, John Lant, Jonathan Schopf, Mike Smith, Sandra Winney, Mo Wright, Benny Zlotnick and Chairman of the Board Preston Allen; Spencer Hellwig, Chad Cooke, County Administrator; Steve Dorsey, Hugh Burke, County Attorney; Jason Kemper, Planning; Andrew Jarosh, Treasurer; Shelby Schneider, Rocco Ferraro, Penny Hill, Justin Miller, Saratoga County Prosperity Partnership.

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

On a motion made by Mr. Kinowski, seconded by Mr. Richardson, the minutes of the November 12, 2020 meeting were approved unanimously.

Ms. Schneider distributed a handout, the handout is attached to these minutes.

A motion was made by Mr. Richardson, seconded by Mrs. Raymond, to forgive \$225,000 overpayment made to the Saratoga County Prosperity Partnership. The motion passed. Mr. Schopf was opposed.

A motion was made by Mr. Pemrick, seconded by Mr. Richardson, to authorize Saratoga County Prosperity Partnership funding be set for 2021 in the amount of the greater of 50% of the occupancy tax or \$450K inclusive of half the occupancy tax. The motion passed. Mr. Schopf and Mr. Tollisen were opposed.

Ms. Schneider introduced the President of the SCPP Penny Hill, the Treasurer Rocco Ferraro and Legal Counsel Justin Miller. Ms. Schneider said that the reason she is here is because they recently had a board meeting. Last year the SCPP contracted with the County for approximately \$500K which was based on an estimate of \$1M of occupancy tax for 2020, which was based on the 2019 room occupancy tax collection. Ms. Schneider said that per the contract, they receive \$125K per quarter. The 4th quarter voucher in the amount of \$125K was submitted to the County. The payments are essentially due at the beginning of each quarter, primarily because it helps with payroll and other administrative expenses in the beginning of each year. The contract does not run coterminous with the way room occupancy tax is collected. Ms. Schneider said that they reached out to the County Administrator and County Attorney inquiring about the status of the 4th quarter payment, and they were told that because the County has not received adequate occupancy tax at this time, that the 4th quarter payment would not be able to be funded. Ms. Schneider said that the tax revenue collected in 2020 through November is only \$307K, which is roughly \$222K less than the \$375K allocated to the Partnership for the first three quarters of the year. Ms. Schneider said that in 2019 the Partnership received \$775K between room occupancy tax and other sources.

Ms. Schneider said that they have cut expenses significantly since she has taken over, and have sought other sources of revenues to make up the difference, and adjust to the \$400K difference in their budget. Ms. Schneider said that they have been operating on austerity and are doing everything possible to ensure that they are providing adequate services based on the agreement

with the County. Ms. Schneider said that they applied for and received a Cares Act PPP forgivable loan in the amount of \$81,803.61. They also applied for, and were awarded a \$95K grant from the USDA Rural Business Development Grant. This is helping support activities for the Next Wave Communities economic development planning initiative. The grant is very specific to certain programming, and funds must be spent first in order to be able to draw down funds.

Ms. Schneider said that based on the current revenue and expenses, the Partnership anticipates finishing the year with almost \$40K remaining to cover expenses for January. This is based on very careful spending. Ms. Schneider said that part of the discussion with the Attorney and the Administrator was a budget resolution that was passed in December 16, 2019 which limited the revenue of the Partnership to 50% of the County's occupancy tax receipts for 2020. In the past, the full amount of funding was provided up front at the beginning of the year, in 2020 funding was broken in to quarterly payments. The contract with Saratoga County does not have any provision for the recapture of funds from the Partnership. Ms. Schneider said that essentially the Partnership has a legally binding contract for \$500K, of which the County does not have the room occupancy tax revenue to cover that full amount. Final receipts for room occupancy for 2020 will not be available until March 2021, therefore that amount is still unknown. Ms. Schneider said that they are willing to not pursue their 4th quarter payment of \$125K, but are asking today for an amendment to resolution 275-2019 eliminating the restriction of funding to only 50% of the County's occupancy tax receipts for 2020. Since they have no funds left to return to Saratoga County, recapturing the difference would cut into their proposed 2021 operating budget of 2021. Ms. Schneider said that given the fact that they have this delta where their budget cycle is not coterminous with room occupancy tax collections, they are asking for assurances that in 2021, the request for \$450K is accompanied by a sixth amendment to the original economic development services and marketing agreement, which had a scheduled payment schedule that started at the beginning of each year, and is not restricted to the amount allocated by tax law § 1202-g(9), which is 50% of Saratoga County's Occupancy tax receipts for 2021. Ms. Schneider said that given the fact that we are in an economic crisis as well as a public health crisis, hopefully an end is in sight and it's critical now, as far as economic development, to make sure that we are ensuring the economic consequences are as minimal as possible, supporting the small business community and also setting the stage for lasting recovery.

Mr. Lawler said that the handout provided by Ms. Schneider was emailed to all Committee members. Mr. Lawler asked Mr. Dorsey what the overriding authority is, the Board Resolution or the Contract? Mr. Dorsey said the resolution, it takes precedent over the contract. Mr. Lawler said that enforcement and compliance of the contract terms is therefore probably not an argument that is going to carry a lot of water given the advice just given by Mr. Dorsey. Having said that, Mr. Lawler said that if he understands this, the first item to a request for the \$225K overpayment, as it stands today, to be forgiven. The second item, as he understands it, is that the Partnership would like to see a change in the 2021 budget that would reflect a fixed dollar amount as opposed to 50% of the bed tax. Ms. Schneider said that prior to 2019 that stipulation was never in the agreement and resolution. Predictability of cash flow gives them the ability to leverage that cash flow. Mr. Lawler said that the bed tax in 2019 was \$1.2M which would have entitled the Partnership to \$600K using that formula. Instead, for 2021 they are requesting a fixed dollar amount of \$450K.

Mr. Lawler opened up the first item for discussion to the Board Members of the Partnership that are present in the room.

Ms. Penny Hill said that she has been a member since the inception of the Prosperity Partnership. Ms. Hill said that in her opinion in order for an organization to function, you need to know what your budget is going to be for the next year, if not longer. Ms. Hill said that if it's the intention of the County to continue with this organization, that a stable path is needed and know what their revenue is going to be.

Mr. Rocco Ferraro thanked the County for the support provided in the past, and hopes that it can continue into the future. Mr. Ferraro said that a few important things to note, the staff has faced significant reductions in terms of expenses associated with running the organization in 2020 from the previous year. That being said, the staff have done an excellent job in maintaining the services that are necessary to both the stakeholders in the County, the business community especially the small businesses. Mr. Ferraro said that part of the activities that the staff has been proactive about is through the Next Wave communities program, in terms of working with the communities to get them to be prepared to welcome businesses into the community. Mr. Ferraro said that a lot of the smaller communities don't have the resources to make this happen. Mr. Ferraro said that the Partnership is filling a significant void providing services to the more rural communities. Mr. Ferraro said that the staff has been aggressively pursuing state and federal grant support to leverage the funding received from the County. Mr. Ferraro said that his observation is that in order for the Partnership to continue their operations, financial support is needed. The budget proposed for 2021 is very streamlined and he urges the committee and Board of Supervisors to support the request.

Mr. Kusnierz said that as part of the Unity Agreement MOU adopted by the Board, there are two economic development entities in the County working that are working to further the mission. The reason for the reduction was because some of the funding was used to go towards the other economic development arm partnered with in the County. Mr. Kusnierz said that it's not like the funding for economic development was cut, it was reallocated for that mission, and Mr. Kusnierz said that he believes this is important to keep in mind. Mr. Kusnierz said that he is in support of the forgiveness of the advance \$225K and would encourage his colleagues to be supportive of that because these are unforeseen financial economic times, through no one's fault, but just the way the dice has rolled out with the pandemic. However, Mr. Kusnierz questioned what is the right amount of money to add to the Partnership, because if we look at the \$225K plus the \$81K in the payroll protection plan grant received, they actually received \$316K over the half the bed tax which is what the resolution states. Mr. Kusnierz said that he does not believe you can continue with this pace, we need to be fiscally responsive, and seriously look at the realities of what half the bed tax is, and that's how the organization was structured. Mr. Kusnierz said that the other thing he would ask his colleagues to keep in mind, we know that Congress, probably as early as next week, is going to approve approximately another \$288B to \$300B payroll protection plan, and there will be stipulations in that as far as revenue tests that are included. That will only be available to organizations that have seen over 25% reduction in revenue for their businesses, programs. Mr. Kusnierz said that he knows there is language that is involved in the provisions of that act that will preclude entities from getting any of that money, if they receive additional revenues over whatever the average is established for 2020. Mr. Kusnierz said that this is something to keep in mind and these are his thoughts on it.

Mr. Zlotnick said that he would like to add that what he has seen over the past year is a very hardworking group. The work that this Partnership has done for his Town and Village that is part of his town has been nothing short of amazing. The opportunities they have presented to our business owners, and sole proprietors to stay open, under very difficult circumstances, and the

work that they have done with the Village to put the plan together, from which they have already had opportunities come from that, Mr. Zlotnick said he thinks they are doing a wonderful job. Mr. Zlotnick said that the middle of their name says it all, Prosperity. Mr. Zlotnick said that he would also be in favor of forgiving the overpayment, but would also recommend their budget request.

Mr. Lawler clarified with Ms. Schneider that her request for 2021 funding is \$450K. Mr. Lawler asked Ms. Schneider if her Board had approved this funding request. Ms. Schneider said yes. Mr. Lawler asked Mr. Kusnierz and Mr. Zlotnick if as board members of the Partnership, if they were comfortable with this budget request? Mr. Zlotnick said that he voted for that request. Mr. Kusnierz said that he voted for that because it was an ask, in that the Board is willing to move forward with, the ask, he would not stand in the way of that. But he would like to state on the record that the way this organization was established, and he knows Supervisor Lawler was a key architect of that, was predicated on the fact that the revenue stream would come from the bed tax, and as we all are facing in our communities, we have had to make tough decisions, we have had to make reductions in spending predicated on, for instance sales tax. Mr. Kusnierz said it's no different for this organization, it's just that the revenue stream is different, so we have to show some fiscal responsibility and he believes that we do, if we stick to what the organization was formed under for the funding stream, which is half the bed tax.

Mr. Lawler said that as a point of clarification, up until last year the Partnership have received 50% of the bed tax, plus some other amount of money. Last year was the first year that the Partnership received only 50% of the bed tax. Mr. Lawler said that he understands the rationale for that with the second organization, but wanted to make it clear that traditionally, the Partnership financially has relied on both sources of revenue. Mr. Lawler thanked Mr. Kusnierz and Mr. Zlotnick for their comments, as members of their Board.

Mr. Lawler opened up the floor to the rest of the committee members for questions or comments. Mrs. Raymond said that she has a clarification, she said that we have a law that states that 50% of the bed tax goes to the Partnership. Mrs. Raymond said that Ms. Schneider is asking for a fixed amount, but if the fixed amount is received and for example the bed tax is \$1M, does she then get the lesser amount, and do we need to undo that Law so that they get only a fixed amount? Mr. Lawler told Mrs. Raymond that she kind of jumped ahead to something he was going to suggest after everyone had commented. Mr. Lawler said that his thought would be, the request was \$450K, the board approved \$450K, he thought what might make some sense would be \$450K maximum regardless of the bed tax. Mr. Lawler said that bed tax at one point was \$1.1M, which would have given the Partnership \$550K and we would have seen an escalation of payments to the Partnership based strictly off the increases of the bed tax, which is not necessarily good stewardship. Mr. Lawler said that he believes everyone can agree that the bed tax will go back up, having a set number for future years gives the Partnership enough to operate upon next year, it positions the County going forward to look more objectively at the Partnership budget. While this year, the bed tax worked to the Partnership's detriment, going forward that number is only going to get bigger. Mr. Kinowski said that Mr. Kusnierz had asked about other sources of funding, grants or otherwise, and asked Mr. Kusnierz if he was suggesting in his comment that they would deduct any earnings or revenue streams by that amount? Mr. Kusnierz said absolutely not and that his comments, if he was unclear, was to ask his colleague to keep in mind that any monies that should become available to the Payroll Protection Plan, will be predicated on the fact of how much there's been a reduction in funding for either the business or the entity, and if additional monies in this fiscal year are provided to the business or entity, that may jeopardize their ability to get those federal dollars.

Mr. Pemrick agreed with Mr. Zlotnick in terms of the value of the Prosperity Partnership throughout the County and the programs that they support. Mr. Pemrick said that he likes the idea of a fixed rate annually, and come back each year through the budget process.

Mr. Lawler said that it can be phrased in a way that the funding would be \$450K, which would be composed of 50% of the bed tax, with any shortfall to be made up by general funds.

Mr. Tollisen said that he was getting a little confused, are we giving just \$450K, and that's the end of it? But if there is more funding via bed tax they get more? Mr. Tollisen asked Ms. Schneider if her request is for a straight \$450K, regardless of what the occupancy tax is, that she just wants to know that all she is getting is \$450K. Ms. Schneider said yes.

Mrs. Raymond reiterated that we have a law that states they are entitled to 50% of the bed tax, and in order to guarantee or budget the \$450K, the law would need to be revoked. Mr. Lawler said that what he is suggested is that an overall guarantee of \$450K is provided, if there is a shortfall in the bed tax, that the County would make up the shortfall to a maximum of \$450K.

Mrs. Raymond said that if there in an overage in bed tax, there is a law that states they have to get that money, and suggested that the law would need to be amended.

Mr. Tollisen said that he is trying to figure out what the ask is, it sounds like they are just asking for \$450K, but the interpretation is also that they are asking for \$450K or half the occupancy tax, whichever is higher. Mr. Tollisen said that he believes they need to be consistent so that we know what we are dealing with.

Mr. Miller said that he is pleased that based on the conversation that the measure of forgiveness seems to be the direction that the committee is going with respect to the delta this year. Mr. Miller said that without that, it's an existential threat for the Partnership that relies on the County's appropriated funds or the bed tax. Going forward looking at next year the predictability is a priority. Mr. Miller said that if the amount payable under the 50% of bed tax is over \$450K, the contract could include a waiver to reconcile this.

Mr. Jarosh said that occupancy tax is collected on an awkward quarterly calendar because they allow three weeks for the remittance and filings of occupancy tax, they calculate them and then it's another couple of weeks before payments are submitted to the various entities that are paid out of occupancy tax including the County, City of Saratoga Springs, Convention and Tourism Bureau and the City Center. Every quarter an amount is calculated and checks are cut to these various entities. Mr. Jarosh said that he does not believe that the Law funding the Prosperity Partnership is set up as a diversion. He is not calculating a different check amount every quarter on a percentage of actual receipts received. This would make the Partnerships job even more difficult as the amounts would vary greatly since Summer is the big quarter. Mr. Jarosh just wanted to make everyone aware that it is not set up as a diversion, and would also recommend against it.

Mr. Dorsey suggested that the motion be read either the greater of 50% of the occupancy tax or \$450K inclusive of the 50% occupancy tax. Mr. Tollisen said that he has an issue with this, the request is for \$450K and if this is the request, there should be an avenue or a way to change the occupancy tax law with this. If there is not, he understands that, but we are taking some liberties here with ensuring that they get a certain amount of funding, and now we are going to increase it if it's higher? Mr. Lawler asked if Mr. Tollisen had suggestions on how it could be better phrased. Mr. Tollisen said that to him the request was \$450K, and if that is the ask, it's a reasonable ask. But the \$450K minimum or occupancy tax, whichever is higher, seems to be a bit overboard to him. Mr. Lawler said that he understands the concern. There are two issues that are problematic, one is we have a law that requires the Partnership get 50%, and the second issue is if we limit their revenue to just straight up 50% we run the risk of another \$250K payment to the Partnership for

2021 which is going to put them out of business. Mr. Lawler said that he believes we need to be realistic, do we want to put a County entity out of business because of the anomaly of the bed tax due to the Covid pandemic? Mr. Tollisen said that his answer to that is no. He is not looking to put them out of business whatsoever. But he believes if they are looking for \$450K, in this budget time that is a lot but ok, but looking for that or higher, one needs to be picked in his opinion.

Mr. Lawler said that an amendment to this law requires an act of the State Legislature, and asked Mr. Kusnierz when they come back. Mr. Kusnierz said the first Wednesday after the first Monday. Mr. Lawler said that typically these laws are dealt with on the last day of the session, so we typically would be around the end of March the beginning of April before we could even get something on the Legislature's desk to consider changes to the law. Mr. Lawler said that he understands what Mr. Tollisen is saying, and he agrees with him. Mr. Lawler said that he believes the risk they run is if there is a miraculous recovery of the bed tax, and the bed tax is more than \$900K, that's a windfall for the Partnership. Mrs. Raymond pointed out that all the conversation in the world is not going to change this law today. The law is the law. However, the \$450K guarantee is only for 2021. We cannot bind the Board that's going to be in 2022. If suddenly the Partnership comes into this giant windfall because 50% is higher, first of all we have time to get the law changed, and secondly we have the ability to not give them the guarantee of \$450K the following year, or to cut them entirely and tell them to go live on what they get. Mrs. Raymond said that she believes it is not something that will be binding for years to come, and we don't have the ability to change the law today anyway. Mr. Lawler asked Mr. Dorsey if the Partnership share of the bed tax is more than \$450K, could any overage be applied toward the \$225K overpayment in 2020? Mr. Dorsey said that he does not believe it would be covered by either State or Local Law. It's their money by law and you can only amend that statute with home rule legislation which would take probably a year to get passed. Mr. Dorsey said that any change to the State tax law probably would not take effect until 2022's contract.

Mr. Lawler said that the question is if the Committee supports a \$450K guaranteed contract for 2021. Mr. Lawler said that he does not believe there is any way to cut it up any differently. Mr. Lawler asked Mr. Dorsey to re-state the suggested motion. Mr. Dorsey said that it was the greater of half the occupancy tax or \$450K inclusive of half the occupancy tax. Mr. Lawler said that this will guarantee the Partnership gets \$450K, because if it's more than \$450K they have to get that by law, and if it's less than \$450K, all we are saying is that we will make it good up to \$450K. For example if the bed tax distribution was \$300K, the County would be guaranteeing \$150K. After that, if it's more than \$450K, congratulations. Mr. Lawler asked Mr. Tollisen if that makes sense to him. Mr. Tollisen said that it does, but it doesn't make him happy. He understands Mrs. Raymond's point that the law is the law, and believes we should not ignore the law, but believes we should try to pursue that. Mr. Tollisen said that Ms. Schneider's request was for \$450K, and they would get that amount going forward. Mr. Tollisen said that he knows they cannot bind future Boards but if he is still there, he would expect that the request in 2021 would be \$450K. Mrs. Raymond said that this is not a Local Law that we can just change, but a Legislation out of the State Legislature, and is the law until changed. Mr. Dorsey confirmed that it is Tax Law Section 1202-g(9) which is embodied in State Law and it authorizes the County to pass a Local Law. Mr. Pemrick said that he believes the only way forward is to follow Mr. Dorsey's suggested motion, and then pursue changing the law.

Ms. Schneider said that she is not suggesting changing the local law. Ms. Schneider said that having the occupancy tax committed to supporting economic development in Saratoga County is very important. Having that commitment now and in future years offers great stability and

underwrites economic development. Mrs. Raymond said that on a practical level, and it cannot be solved today, the contract with the Partnership could be changed to require that the Partnership do certain things with the funding, maybe fund SEDC further, maybe do something else entirely. Mrs. Raymond said that we need to do some serious looking at, over the next year, what our options are. Mrs. Raymond said that she would support guaranteeing them the \$450K so that they can get on with their business, and support next year's Chairman of the Board and Economic Development Committee seriously taking a hard look at what our options are. Mr. Schopf said that he doesn't believe the Partnership should have it both ways. The original legislation provided for half of the occupancy tax, that's what they get. There are contractual obligations to repay the \$225K. Mr. Schopf said that it was mentioned that the pandemic is going to cause the closure of the Partnership if we don't advance this funding today, and with all due respect this is entirely tone deaf. The pandemic has also forced the closure of small businesses across this county and state. The small business can't just go and modify a contract with its mortgage company or landlord and forgive \$225K, they would go bankrupt. They have to pay their debts and operate under the funding they are receiving through their business. There is no one they can look to, to guarantee their funding. Mr. Schopf said that State taxes are going up and no one is going to guarantee the County's funding, who do we look to when our sales tax and our revenues streams shortfall? Mr. Schopf said that the Partnership is no different and he cannot support this, and if it passes, he cannot support a budget that funds this. Mr. Lawler asked Mr. Dorsey to re-read the motion as earlier suggested. Mr. Dorsey said that funding would be set for 2021 in the amount of the greater of 50% of the occupancy tax or \$450K inclusive of half the occupancy tax. Mr. Connolly said that he completely supports this and believes it is the wise thing to do to ensure they have the funds to operate.

A motion was made by Mr. Richardson, seconded by Mr. Kinowski, to authorize Authorizing a logging revenue agreement with Prentiss and Carlisle Management Company for a timber harvest of County-owned parcels in the Town of Northumberland. Unanimous.

Mr. Kemper previously distributed a handout previously via email. Three bids were received. The work will commence in Spring of 2021.

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

Respectfully submitted,

Therese Connolly
Deputy Clerk of the Board



Saratoga County Economic Development Committee

December 9, 2020

To: John Lawler, Chairman and Economic Development Committee Members
Re: 2020 and 2021 Saratoga County Prosperity Partnership Economic Development Services and Marketing Agreement

PAYMENT REQUEST – 4th QUARTER 2020

The Saratoga County Prosperity Partnership's 4th quarter voucher of \$125,000 was due on October 15, 2020, per the Fifth Amendment to and Renewal of Economic Development Services and Marketing agreement (see attached).

The Saratoga County budget Resolution 275-2019 (See attached) passed on December 16, 2019 restricted funding for the Saratoga Partnership to the amount allocated by Tax Law Section 1202-g(9), which is 50% of Saratoga County's occupancy tax receipts for 2020.

COUNTY CONTRACT WITH SARATOGA PARTNERSHIP

In light of the County not receiving its first-quarter occupancy tax receipts until April 2020, and the need of the Saratoga Partnership to meet its payroll and other administrative expenses in January, February and March, the agreement drafted by our counsel, Justin Miller, and approved by the Saratoga County Attorney, provided for quarterly disbursements \$125,000 commencing January 15, 2020. These 4 payments were based on projected occupancy tax revenues of at least \$1,000,000 in 2020, and consistent with the approximately \$1,000,000 in occupancy tax revenues received in 2019.

- In prior years, funding wasn't restricted to 50% of Saratoga County's occupancy tax receipts and payment was made in a lump sum at the beginning of the year.
- Our County Revenue went from \$775,000 in 2019 to \$500,000 in 2020.
- There is no provision in the Fifth Amendment to and Renewal of Economic Development Services and Marketing agreement to recapture funds from the Saratoga Partnership.
- No one ever anticipated that we would be hit by a global pandemic in 2020 that would effectively close most of our arts and cultural venues, nearly eliminate business conventions and meetings, and have such a severe impact on our hospitality and tourism sector, which impacted bed tax receipts and collections.

ROOM OCCUPANCY COLLECTION 2020

After requesting the status of our 4th quarter payment, we were told that Saratoga County Occupancy Tax revenue collected in 2020 through November (see attached) is only \$307,039.03, 50% of which is roughly \$222,000 less than the \$375,000 allocated to the Saratoga Partnership for the first three quarters of the year.

AUSTERITY BUDGET AND OUTSIDE SOURCES OF REVENUE

After I assumed a leadership role in January of 2020, the Saratoga Partnership team began recasting our budget. In 2019, the Partnership received \$775,000 in County Revenue versus the \$375,000 the Partnership received thus far this year. As such, we have significantly cut expenses and sought outside

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sources of revenue to make up the difference. We have adjusted to the \$400,000 difference accordingly without compromising our ability to fulfill our mission. We have been operating on an austerity budget, we have cut expenses and sought outside sources of revenue to make up for the shortfall. The Saratoga Partnership applied for numerous grants to help us fulfill our mission. (See attached budget)

GRANTS RECEIVED

- **PPP Forgivable Loan \$81,803.61** - After COVID hit in March, and as a qualified 501(c)3 anticipating that our source of revenue would be impacted, we applied for and received a Cares Act PPP forgivable loan in the amount of \$81,803.61.
- **USDA Grant \$95,000** - We applied for and were awarded a \$95,000 grant from the USDA Rural Business Development Program for our Next Wave Communities economic development planning initiative. This is a matching grant based on funds received from Saratoga County. The use is restricted to communities that meet certain population thresholds. We anticipate this funding to be spread out over the 2020 – 2021 budget years.

REQUEST

Based on current revenue and expenses, the Saratoga Partnership anticipates finishing the year with \$40,000 left to cover expenses for January. In 2019, the carry-over into January was \$53,500.

- The Saratoga Partnership agrees not to pursue the 4th quarter payment of \$125,000 as stated in the signed 2020 Saratoga County Prosperity Partnership Economic Development Services and Marketing Agreement.
- **Revise budget Resolution 275-2019** passed on December 16, 2019 to eliminate the restriction of funding to only 50% of Saratoga County's occupancy tax receipts for 2020. We have no funds left to return to Saratoga County. Recapturing the difference would cut into our proposed 2021 operating budget of \$450,000.
- Ensure that the 2021 Budget Request of \$450,000 is accompanied by the Sixth Amendment to and Renewal of Economic Development Services and Marketing agreement, which has a payment schedule at the beginning of each quarter, and is not restricted to the amount allocated by Tax Law Section 1202-g(9), which is 50% of Saratoga County's occupancy tax receipts for 2021.

The Saratoga County Prosperity Partnership is committed to leading a host of critical economic and workforce development initiatives, driving economic success for residents, businesses and government in Saratoga County, New York. We provide a seamless delivery of programs and services for businesses seeking in Saratoga County, we provide community economic development planning services, facilitate grants for various programs, spearhead semiconductor industry marketing and attraction, global trade assistance, and data collection and planning. These services are especially critical during a global pandemic where many of our businesses are suffering and need additional support and guidance. The crisis highlights the need for urgent action to cushion the pandemic's economic consequences, retain our small business community and set the stage for a lasting recovery. We can't do this without the continued financial support and partnership of the Saratoga County Board of Supervisors.

FIFTH AMENDMENT TO AND RENEWAL OF
ECONOMIC DEVELOPMENT SERVICES AND MARKETING AGREEMENT

Dated as of January 1, 2020.

BY AND BETWEEN,

COUNTY OF SARATOGA, a municipal corporation of the State of New York with offices at 40 McMaster Street, Ballston Spa, New York 12020 (the "County"),

- and -

Saratoga County Prosperity Partnership, Inc., having a place of business at 2911 Route 9, Malta, New York 12020, (the "Corporation");

RECITALS:

WHEREAS, the County and the Corporation previously entered into a certain Economic Development Services and Marketing Agreement, as amended and renewed by the parties, whereby the Corporation agreed to undertake the promotion of economic development within Saratoga County for the benefit of the County and Saratoga County region, to promote the economic welfare and prosperity of the people in Saratoga County, and to publicize the advantages of Saratoga County; and

WHEREAS, the County and Corporation desire to (i) renew the Agreement an additional one year term of January 1, 2020 through December 31, 2020 for a fee of \$500,000, and (ii) amend the Agreement for purposes of reflecting sources and procedures for payments to be made by the County to the Corporation; and

WHEREAS, the County and the Corporation have authorized the execution and delivery of this Agreement.

NOW, THEREFORE, the parties agree as follows:

Section 1. The Agreement is hereby renewed for the period January 1, 2020 to December 31, 2020 for a fee of \$500,000.00.

Section 2. Section 2 of the Agreement is hereby amended to read as follows:

2. Scope of Services. The Corporation shall publicize and promote the advantages of the County and the region as a place where employers and entrepreneurs can successfully locate new and expanded operations and shall, through its promotional program, attract and encourage prospective employers in a wide range of economic activity, including but not limited to manufacturing, agri-business, education, clean and renewable energy production and technology, business services, international trade, high tech and broadband services and infrastructure, information technology, research, and tourism, to locate to or expand within the County and shall assist the County to develop, review and amend as needed, the Plan. The activities of the Corporation for these purposes shall include the following general economic development services (hereinafter, the "Services"):

- i) The Corporation will support SEDC in the execution of the strategic plan for marketing to promote Saratoga County business assets and attract economic development opportunities;
- ii) The Corporation will serve as lead entity for the Next Wave Communities initiative to provide community economic development and economic development planning services at the local level;
- iii) The Corporation will assess needs, identify gaps and coordinate technical assistance for local municipal economic development plans to foster more investment;
- iv) The Corporation will identify grant proposals eligible from federal, state and other agency funds to increase opportunities for business, infrastructure, and technical needs from its analysis;
- v) The Corporation will lead, plan and manage marketing for municipal and community and economic development;
- vi) The Corporation shall serve as the ombudsmen between municipalities and the development community to heighten awareness of municipal wants and needs for future potential development;
- vii) The Corporation will provide systemic assistance to local businesses with international trade opportunities;
- viii) The Corporation will continue to conduct its business retention program to gather information about companies locally and to identify new projects. To the extent local businesses needs assistance, the Corporation will provide that assistance with the exception of development or IDA related activity which will be referred to SEDC;
- ix) The Corporation will report aggregated information to the County and local communities gathered from local companies as it pertains to Saratoga County's economy and assess information for leads and prospects on potential supply chain opportunities;
- x) The Corporation will provide workforce development assistance and assist businesses with identifying and accessing workforce development training and programs;
- xi) The Corporation will maintain its position on the Saratoga, Warren and Washington County Workforce Development Boards;
- xii) The Corporation 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, which shall be shared with the County and SEDC as needed; and

- xiii) The Corporation will continue its work in the marketing and promotion of Saratoga County as a place for the semiconductor industry, and related supply chain, including but not limited to, working closely with semiconductor industry trade associations like SEMI and GSA to build awareness of the assets of Saratoga County through meetings, tradeshows, conferences and related events.

Section 3. Section 4 of the Agreement is hereby amended to read as follows:

4. Payment for Services.

- a. In exchange for the Services to be provided by the Corporation to the County pursuant to the terms hereof, the County shall pay to the Corporation the sum of Five Hundred Thousand Dollars (\$500,000.00), payable to the Corporation's disbursing officer upon the Corporation's submission of one or more vouchers to the County as outlined below and approval by the County Administrator. The Corporation shall invoice the County for services provided pursuant to this Agreement in the form of County vouchers certified by the Chairman of the Corporation.
- b. The foregoing total amount of \$500,000.00 shall be payable by the County to the Corporation in accordance with the following schedule:
- (i) \$125,000 payable January 15, 2020;
 - (ii) \$125,000 payable April 15, 2020;
 - (iii) \$125,000 payable July 15, 2020; and
 - (iv) \$125,000 payable October 15, 2020.

The County and Corporation recognize Chapter 262 of the laws of 2015 relating to tourist home, inn, hotel or motel tax in Saratoga County and the City of Saratoga Springs (hereinafter, the "Occupancy Tax"), along with applicable local law adopted by the County, whereby fifty percent (50%) of such annual Occupancy Tax receipts received for occupancies are to be paid by the County to the Corporation (the "Occupancy Tax Allocation"). The parties hereto agree that the within sums paid by the County to the Corporation shall serve as an advance of such Occupancy Tax Allocation receipts for the calendar year 2020 due and payable to the Corporation.

In accordance with Section 224 of the County Law, the Corporation is required to refund to the County any unused portion of funds appropriated by the County and paid to the Corporation for public benefit services, with such refund payment to be made by the Corporation on or before March 1 of the following year. In furtherance of the foregoing, and for the avoidance of doubt, the Corporation's obligation to make any refund to the County shall be limited to those unused amounts, if any, in excess of all actual Occupancy Tax Allocation payable to the Corporation for the year 2020. In recognition of the County's willingness to advance the amounts payable hereunder, the Corporation hereby agrees to remit to the County any unused funds received hereunder in excess of the actual Occupancy Tax Allocation payable to the Corporation for the year 2020, with such amount to be determined pursuant to the County's certified Occupancy Tax receipts for 2020 and the Corporation's annual audit and remitted to the County on or before March 31, 2021. For the avoidance of doubt, to the extent that the actual Occupancy Tax Allocation payable to the Corporation for the year 2020 exceeds \$500,000.00, the

County shall remit such additional amounts to the Corporation on or before March 31, 2021.

1) The County shall allow the Corporation's employees, upon the payment of the required sums, access to County healthcare insurance plan(s); as provided to employees of the County. The terms and conditions pursuant to which access to County healthcare insurance plan(s) will be provided to employees of the Corporation are set forth within the Healthcare Plan Access Agreement to be entered into between the Corporation and the County, the form of which is attached hereto as Exhibit A.

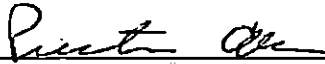
2) As the sole member of the Corporation, the County shall provide Directors and Officers liability insurance coverage for the Corporation, along with its Directors and Officers. The Corporation shall be responsible for all other insurance coverages required for its business operations:

Section 4. All other terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Fifth Renewal Agreement this ____ day of January, 2020.

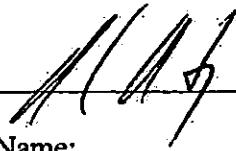
COUNTY OF SARATOGA

Date 1-8-20

By: 
Preston Allen, Chairman
Board of Supervisors
Per Resolution #275-2019

Saratoga County Prosperity Partnership, Inc.

Date 1/10/2020

By: 
Print Name:
Federal I.D. #

APPROVED:


County Attorney



SARATOGA COUNTY BOARD OF SUPERVISORS

RESOLUTION 275 - 2019

**Introduced by Supervisors Allen, Kinowski, Ostrander, Pemrick, Schopf, Szczepaniak and Wright
As Amended on Motion of Supervisor Szczepaniak, Seconded by Supervisor Ostrander**

AUTHORIZING 2020 AGREEMENTS WITH VARIOUS AGENCIES

WHEREAS, Resolution 270-2019, as amended by 273-2019, appropriated certain 2020 monies for the Capital District Regional Planning Commission, Saratoga County Agricultural Society and various public benefit organizations as authorized by County Law §224; and

WHEREAS, written agreements with the public benefit organizations are necessary to expend these appropriations; now, therefore, be it

RESOLVED, that the Chairman of the Board execute agreements with the following organizations for the cited amounts for their provision of the following services:

<u>ORGANIZATION</u>	<u>SERVICE</u>	<u>APPROPRIATION</u>
Adirondack North Country Association, Inc.	promotion of Adirondack regional economy	\$2,000
Adirondack Park Local Government Review Board	Adirondack Park liaison	\$2,700
Cornell Cooperative Extension Association of Saratoga County	Cooperative Extension services, Saratoga Co. Farm Guide update and Stormwater Management Services	\$1,260,180
Emergency Medical Services Council	EMS training	\$43,000
Saratoga Center for the Family, Inc.	child abuse services	\$90,000
Saratoga County Council of Fish & Game Clubs, Inc.	conservation education	\$3,857
Saratoga Economic Development Corporation	Economic Development	\$150,000
Saratoga County Prosperity Partnership, Inc.	promote, provide and oversee all economic development activities of the County of Saratoga	Amount Set By Tax Law §1202-g(9)
Saratoga County Soil & Water Conservation District	soil & water conservation	\$125,886

The Chamber of Southern Saratoga County	Community Development Plan	\$40,000
Southern Adirondack Library System	regional library services	\$35,000
Lakes to Locks Passage	Corridor Management	\$6,000
Village of Ballston Spa	Municipal Services	\$20,000

and, be it further

RESOLVED, that each agreement include the following provisions:

- a) payments shall be made to the organization's disbursing officer at such times as determined by the County Administrator;
- b) payments shall only be made upon submission of a duly certified and documented County voucher;
- c) the documentation for an organization's initial voucher shall include copies of its current budget, financial statement and compensation schedule;
- d) the organization shall refund any unused portion of its appropriation; and, be it further

RESOLVED, that, upon submissions of proper vouchers, the County Auditor is authorized to approve the following payments:

<u>ORGANIZATION</u>	<u>SERVICE</u>	<u>APPROPRIATION</u>	<u>TYPE</u>
Capital District Regional Planning Commission	Regional studies	\$53,847	outright
Saratoga County Agricultural Society	County Fair advertising	\$26,000	outright

BUDGET IMPACT STATEMENT: No budget impact.

Saratoga County Occupancy Tax - County Revenue
2020 through November

Month		Revenues
January	\$	215.72
February	\$	3,156.91
March	\$	30,136.86
April	\$	76,687.33
May	\$	6,032.16
June	\$	44,890.98
July	\$	3,393.97
August	\$	541.67
September	\$	130,765.40
October	\$	10,137.80
November	\$	1,080.23
December	\$	-
Total	\$	307,039.03

**Saratoga County Prosperity Partnership
Statement of Activity Comparison and Budget Report**

Revenue	Jan 1 - Dec. 8 2019	2020 Budget	Jan 1 - Dec. 8 2020	Percent to Budget	2021 Budget
Start Up NY - Leaseback			\$ 25,375.00		
Account Pass Through (Behan Comm.)			\$ 3,000.00		
Non Profit Income-Occupancy Tx	\$ 475,000.00	\$500,000.00	\$ 375,000.00	75%	\$ 450,000.00
Event Sponsorship	\$ 36,777.00	\$ 2,500.00	\$ 70.00	3%	\$ 10,000.00
County Revenue- Gen Fund	\$ 300,000.00				
Fee For Services		\$ 14,233.00	\$ 3,456.95	24%	\$ 20,000.00
Event Income/Webinars	\$ 7,010.16	\$ 1,000.00		0%	\$ 5,000.00
Billable Expenditure Revenue			\$ 332.70		
Global Markets					\$ 10,000.00
Start Up NY - Revenue					\$ 2,500.00
Saratoga County IDA					\$ 2,500.00
Grant Revenue	\$ 6,224.00	\$141,223.00	\$ 88,223.00	62%	\$ 100,000.00
Total Revenue	\$ 825,011.16	\$658,956.00	\$ 495,457.65	75%	\$ 600,000.00
Gross Profit	\$ 825,011.16		\$ 495,457.65		\$ 600,000.00

Employee Expenses	Jan 1 - Dec. 8 2019	2020 Budget	Jan 1 - Dec. 8 2020	Percent to Budget	2021 Budget
Automobile Allowance	\$ 6,000.00	\$ 500.00	\$ 500.00	100%	
Health & Dental Insurance	\$ 53,416.33	\$ 30,000.00	\$ 33,588.63	112%	\$ 25,000
Mileage Reimbursement	\$ 8,491.16	\$ 7,000.00	\$ 2,614.55	37%	\$ 5,000
Payroll & 401k Fees	\$ 3,701.39	\$ 4,500.00	\$ 3,710.50	82%	\$ 3,863
Payroll Taxes	\$ 24,113.06	\$ 22,000.00	\$ 17,269.91	78%	\$ 22,000
Salaries & Wages	\$ 341,371.09	\$300,000.00	\$ 240,592.01	80%	\$ 226,000
401k Company Match	\$ 16,381.01	\$ 15,000.00	\$ 14,816.48	99%	\$ 13,500
Wireless and Data fees	\$ -	\$ 2,200.00	\$ 1,700.00	77%	\$ 2,200
TOTAL EMPLOYEE EXPENSES	\$ 453,474.04	\$381,200.00	\$ 314,792.08	83%	\$ 297,563

Operating Expenses	Jan 1 - Dec. 8 2019	2020 Budget	Jan 1 - Dec. 8 2020	Percent to Budget	2021 Budget
Start Up NY - Leaseback			\$ 25,375.00		
MARCOM	\$ 25,649.81	\$ 15,000.00	\$ 12,348.80	82%	\$ 14,900
ADVERTISING	\$ 57,892.12	\$ 1,000.00	\$ 4,707.68	471%	\$ 1,000
Digital Subscriptions/Newspapers		\$ 500.00	\$ 321.00	64%	\$ 500
Sponsorships	\$ 8,290.00	\$ 500.00	\$ -		\$ 500
Professional Development/Employee Training	\$ 3,798.85	\$ 2,500.00	\$ 807.50	32%	\$ 1,500
Conference & Meetings	\$ 27,840.84	\$ 2,500.00	\$ 584.63	23%	\$ 1,500
Dues & Memberships (Attraction, BRE and General Expenses)	\$ 19,070.00	\$ 11,510.00	\$ 4,700.00	41%	\$ 8,005
General & Office Expenses	\$ 10,783.97	\$ 15,000.00	\$ 8,301.83	55%	\$ 14,460
Bank Service Charges	\$ (10.00)	\$ 50.00	\$ 1.43	3%	\$ 50
Business Insurance	\$ 9,921.28	\$ 10,500.00	\$ 8,916.68	85%	\$ 10,500
Cleaning	\$ 1,560.00	\$ 1,170.00	\$ 1,365.00	117%	\$ 1,560
Computer Maintenance	\$ 7,070.00	\$ 5,520.00	\$ 5,685.71	103%	\$ 5,520
Legal & Accounting	\$ 28,003.70	\$ 36,950.00	\$ 47,503.32	129%	\$ 40,550
Networking Meetings	\$ 28,218.23	\$ 2,500.00	\$ 200.00	8%	\$ 1,000
Office Equipment	\$ 4,384.76	\$ 500.00			\$ 500
Postage**	\$ 137.61	\$ 150.00	\$ 689.97	460%	\$ 150

Rent or Lease	\$ 37,404.96	\$ 37,404.00	\$ 37,404.96	100%	\$ 39,300
Utilities	\$ 4,675.31	\$ 2,580.00	\$ 2,429.00	94%	\$ 2,580
TOTAL OPERATING EXPENSES	\$ 268,899.12	\$145,834.00	\$ 161,342.51	111%	\$ 144,075

Programming/ MOU Expenses	Jan 1 - Dec. 8 2019	2020 Budget	Jan 1 - Dec. 8 2020	Percent to Budget	2021 Budget
Community Economic Development Plans/NWC		\$ 33,000	\$ 5,119	16%	\$ 60,000
Grant Assistance Program		\$ 7,500			\$ 15,000
Business Retention & Expansion (BRE)		\$ 15,000			\$ 15,000
Semiconductor & Technology Cluster		\$ 25,000			\$ 10,000
Global Markets		\$ 10,000			\$ 20,000
Database and Information Clearing House		\$ 15,000	\$ 11,000	73%	\$ 3,000
TOTAL PROGRAM/MOU EXPENSES	\$ 51,424.79	\$105,500.00	\$ 16,119.27	15%	\$ 123,000

TOTAL EXPENDITURES	\$ 773,797.95	\$632,534.00	\$ 488,363.73		\$ 564,638
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TOTAL NET REVENUE	\$ 51,213.21	\$ 26,422.00	\$ 7,117.67		\$ 35,362.01
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