WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: **ECONOMIC DEVELOPMENT**

DATE: **January 29, 2007**

Committee Members Present:
Supervisors Monroe
Stec
Mason
Champagne
F. Thomas
Girard

Committee Member Absent:
Supervisor Sokol

Others Present:
Representing Warren County Economic Development Corporation:
Leonard Fosbrook, President
Peter Wohl, Director, Adirondack Regional Business Incubator
John Wheatley, Project Manager, Queensbury Industrial Park
Joan Parsons, Commissioner of Administrative & Fiscal Services
Paul Dusek, County Attorney
Planning & Community Development:
Pat Tatich, Director
Jamie Y. White, Small Business Development Coordinator
Joan Sady, Clerk of the Board
Nicholas Caimano, Budget Officer
Supervisor Kenny
Supervisor Tessier
Supervisor Gabriels
Maury Thompson, *The Post Star*
Debra L. Schreiber, Legislative Office Specialist

Mr. Monroe called the meeting to order at 9:38 a.m.

Motion was made by Mr. Mason, seconded by Mr. F. Thomas, and carried unanimously to approve the minutes of the November 27, 2006 meeting, subject to correction by the Clerk.

Privilege of the floor was extended to Mr. Fosbrook, President, Economic Development Corporation, Warren County, who distributed copies of his agenda packet to members of the committee, a copy of which is on file with the minutes.

Mr. Wohl apprised in prior committee meetings there was discussion relative to an application request of $2.1 million submitted to the Department of Labor for a community based job training grant in partnership for advanced training with EDA (Economic Development Agency), the WIB (Workforce Investment Board) as well as educational and workforce institutions. He said their department received notification in December the grant request had been denied. He reported there were over 400 applicants and only 70 recipients, with Brooklyn being the only consortium in New York State to receive funds. As a result of these efforts, Mr. Wohl stated the partnership that was formed would continue to meet for another opportunity in 2007 in an attempt to move forward with this initiative.

Mr. Fosbrook updated the committee on the consolidation of the two LDC's (Local Development Corporation), Warren County and Hudson River. He stated Mr. Monroe, Mr. Stec and several members of the Economic Development Corporation (EDC) Board had attended a training session relative to the new public authority legislation. In discussions with their attorney, Justin Miller of Harris Beach, Mr. Fosbrook asked if the EDC and the HRLDC fell within the parameters of this new legislation and because they were not created by a public entity, they would not be responsible to this act. However, he noted, if their Board assumed a majority role on the new LDC board, then that would bring the two organizations (EDC of Warren County and HRLDC) under that act. At this particular time, Mr. Fosbrook recommended a majority of the new board be comprised of either supervisors or other members not associated with the EDC board; thereby accomplishing the goals they had set forth and still providing a good link between the organizations and the board members.

From an administrative role, Mr. Fosbrook asked how much support would they lend to that board without creating an upstream connection to the EDC and LDC, which was currently being evaluated. Mr. Fosbrook noted one of the presenters at the training session was a co-author of this new legislation as well as a lawyer from Harris Beach and, he said, he requested a letter of determination. Mr. Caimano commented he was resigning from the Industrial Development Agency (IDA) due to the potential conflict it posed to elected officials.

Mr. Kenney entered the meeting at 9:43 a.m.

Mr. Monroe queried whether Mr. Caimano had the same concerns relative to the new entity and Mr. Caimano replied it would depend whether the law included the LDC. Mr. Dusek clarified this new legislation did not exempt the LDC's, rather it focused on how the LDC's were created. He said the Warren County Local Development Corporation was created by the County and the Board of Supervisors sat upon the Board; therefore, he said, it was subjected to the Public Authority Act. In Mr. Fosbrook's case, he said there was no County EDC connection as it appeared like it was created on its own apart from County government. In summation, he said, it was his understanding the Warren County Economic Development Corporation was not covered by this legislation; however, the Local Development Corporation was covered based on how the corporations were set up and operated.

Mr. Caimano commented any time an elected official became involved with a board wherein funds were exchanged, the issue arose of which fiduciary responsibility that official must take more seriously, and for that reason, he was resigning.

Mr. Fosbrook explained the new EDC must be concerned about the number of members on the board and, therefore, he suggested two supervisors (representing the County), some board members coming from EDC, and potentially seeking another outside member to make a majority. Mr. Dusek stated the LDC had to be independent of the EDC and the County Board, and ultimately be in the minority. As a possible alternative, Mr. Dusek suggested forming the LDC so the Chairman of the Board of Supervisors would become a member of the Board who, in turn, appointed the directors, thereby staying in the minority from the EDC to assure County control over the corporation.

Pat Tatich, Director of Planning & Community Development, added when she discussed this matter with Mr. Fosbrook, part and parcel of the dilemma was the public disclosure requirements. Secondly, she said, the County still had a fiduciary responsibility to utilize those funds in accordance with the general requirements. However, Mr. Dusek responded while it was not necessary to control the corporation, the County fulfilled the fiduciary responsibility through the contracts. Mr. Fosbrook added if the EDC provided administrative support, it would necessitate contractual relationships but first a determination of who served as officers would be required. In addition, he said he and Ms. Tatich estimated it would cost approximately $40,000 per year to administer the LDC, with start-up costs being even more. Mr. Dusek reminded the committee that if the LDC became independent, as County Attorney, he could no longer represent them, thereby incurring additional legal and accounting costs and ultimately could the LDC support itself.

Putting the merger and issues aside, Ms. Tatich said they should treat this matter as if they were starting a business, developing opportunities with no costs on one side but developing an income stream on the other side. If everyone were sincere about this process, she said, there would be the potential to launch this venture in a feasible manner. Mr. Caimano concurred with Ms. Tatich, noting that might be the way the Glens Falls Local Development Corporation was operating. He said he thought Mayor Akins was the only elected official on that board. Mr. Dusek responded, by law, the EDC and County had to be in the minority. Mr. Fosbrook emphasized the board must be comprised of a CEO (Chief Executive Officer) and CFO (Chief Financial Officer). Mr. Champagne stated that perhaps they ought to go back to the original County LDC as this appeared to become more cumbersome. Furthermore, he said, if the costs were going to increase and the income stream were spent on the expenses to run the corporation, he did not believe that was the intent. In response to comments made by Mr. Champagne, Mr. Dusek replied all changes previously referred to would be required and every Board member would be required to participate in the training courses.

Mr. Monroe queried about the potential benefits of changing with the EDC versus leaving it with the supervisors at the County. Mr. Fosbrook acknowledged that while they had a good working relationship with the Committee and Ms. Tatich, he said he had no problem with the way the organizations were currently being operated and, in fact, they even decided to share some responsibilities between the two organizations. An additional option, added Mr. Dusek, was the Warren County LDC cease operations and transfer all programs currently being maintained by Ms. Tatich's office to EDC to avoid the Public Authority Act. Ms. Tatich said it became a question of funding and contractually identifying the responsibilities of the members and would the board be comfortable with the decision-making process on how the funds were to be spent. According to this Public Authority Act, Mr. Fosbrook acknowledged they knew the rules and guidelines relative to the reporting and make-up of the board but there were significant programs that Ms. Tatich had developed and EDC did not have the skill sets relative to administering some of the grants. Mr. Monroe stated the Board of Supervisors must decide who should have the ultimate control.

Mr. Stec questioned whether this legislation would be revisited to determine a threshold above which a certain size authority fell below.

Motion was made by Mr. Stec, seconded by Mr. Mason and carried unanimously referring this matter to the Legislative Committee requesting New York State revisit the threshold of the Public Authority Act and potentially reduce the negative impact on the smaller IDA's and LDC's.

Mr. Gabriels suggested bringing this matter before the Association of Towns, as well.

Mr. Tessier entered the meeting at 10:05 a.m.

If the County continued to operate as they were currently, Mr. Monroe said the Committee must decide whether the Board would comprise all members of the BOS as directors of the corporation or some lesser number requiring some members to be in training. Mr. Fosbrook stated it was possible as ong as they met the following requirements:

1) Elect a CFO and CEO, possibly someone from Planning & Community Development;
2) Enter into a Contractual Agreement with Planning & Community Development to provide administrative support;
3) Hire a CPA for auditing purposes;
4) Hire Counsel; and
5) Reduce the number of supervisors on the Board and attend the required training.

Mr. Monroe stated by meeting these requirements, they would be in compliance with the new legislation but they could always revert back to the old system.

Motion was made by Mr. F. Thomas, seconded by Mr. Stec and carried unanimously to restructure the current LDC as outlined above.

Due to the upcoming election for the LDC members, Mr. Dusek recommended immediately making the necessary changes to the CEO, CFO, as well as the bylaws of the LDC.

After discussion, Mr. Monroe called the question and the motion was carried unanimously. The necessary resolution was authorized for the February Board Meeting.

Relative to the Chestertown and Queensbury Pipeline for Jobs grants, Mr. Fosbrook said he had been advised there was a lack of funding for those grants.

With respect to the National Guard and EDA grant, Mr. Fosbrook apprised they had been invited to apply, which was one step closer to receiving a determination.

In response to an inquiry by Mr. Monroe regarding the grant funding on the Queensbury Pipeline for Jobs, Mr. Wheatley stated they had received no official announcement, just an informal communication by Senator Little's office suggesting they pursue another source of funding.

Mr. Fosbrook said they were invited to apply for the National Guard EDA grant and it would be submitted this week.

Mr. Fosbrook apprised that Frederick Monroe was appointed the new Chairman of the Warren County Empire Zone Administrative Board, replacing Michael Barody, due to resignation.

Mr. Wohl advised the committee Michael Barody had remained chairman of Adirondack Regional Business Incubator, just not in his "supervisory" capacity for the County. In the interim, he said Mr. Stec had joined the Board serving on behalf of the Town of Queensbury and he could fill this vacancy.

Motion was made by Mr. Champagne to appoint Daniel Stec as a Warren County representative on the ARBI Board.

While Mr. Stec said he was not opposed to serving on the ARBI Board, he suggested the Committee consider appointing Mr. Sokol. If Mr. Barody remained on the Board, Mr. Champagne queried how many vacant positions remained open and Mr. Wohl replied it was his recollection there were a sufficient number of positions available but would advise at the next committee meeting.

Mr. Champagne withdrew his previous motion appointing Daniel Stec to the Adirondack Regional Business Incubator, Inc. Board.

Motion was made by Mr. Girard, seconded by Mr. F. Thomas appointing Frederick Monroe as Chairman of the Empire Zone Administrative Board. Mr. Monroe called for a roll call vote which resulted as follows: Ayes 5, Noes 0 and abstained 1. Messrs. Stec, Mason, Champagne, F. Thomas and Girard voted yes, and Mr. Monroe abstained. The motion was carried and the necessary resolution was authorized for the February Board Meeting.

Messrs. Girard and Mason exited the meeting at 10:16 a.m.

Motion was made by Mr. Champagne, seconded by Mr. F. Thomas and carried unanimously approving the Economic Development Corporation, Warren County 2007 Project Priorities and the necessary resolution was authorized for the February Board Meeting. A copy of the resolution request form is on file with the minutes.

Mr. Fosbrook briefly reviewed the summary of 2007 EDC projects. Commencing with the Queensbury Industrial Park (QIP), he said, he anticipated completing this project this year upon approval of the EDA grant. Furthermore, he said, the National Guard expressed their desire to commence construction this summer and, therefore, he expected bidding the infrastructure in February.

Relative to Item 2 of the 2007 Summary of Projects, Mr. Fosbrook apprised he had met with Mayor LeRoy Akins relative to the downtown Glens Falls Revitalization, and they discussed undertaking an evaluation of the Civic Center as well as developing other properties around the incubator. Relative to the Glens Falls Civic Center, he suggested utilizing their consultant, NDC (National Development Council), to develop a financial plan that offered various options and he was optimistic that would be submitted to the Glens Falls Common Council within four to five months. The ultimate goal, commented Mr. Fosbrook, was to reduce the tax burden on the City of Glens Falls in operating the Civic Center. With respect to the Elm Street building owned by the Local Development Corporation and occupied by the ARBI, Mr. Fosbrook advised they completed a grant application to purchase some of the surrounding properties and work with a private sector developer to form that public/private partnership that had worked well for Warren County.

Continuing on with Item 3, Mr. Fosbrook noted there was a tremendous opportunity to continue development, such as a technical park, at the Floyd Bennett Memorial Airport. Recently, he said, he had discussions with the Adirondack Greater Glens Falls Transportation Council relative to a new access road between Quaker Road and County Line Road that would improve the access to the Queensbury Industrial Park (QIP), Airport, as well free up some County-owned property that was currently landlocked. Upon the completion of the QIP, he stated they would become more involved with this project.

While there had been numerous discussions relative to the Warren County Local Development Corporation, Mr. Fosbrook stated they would like to structure an agreement with the Planning Department so it continued to function as well as it had been.

Turning to the Exit 18 -Main Street/Connector Road, Mr. Fosbrook advised his department would continue to work on this project through the completion of construction. He apprised the working relationship between the Town of Queensbury and his department had been extremely successful in developing a piece of property that would serve as the future home for Tribune Media. In addition, he stated their department had negotiated an option on a piece of land with Tribune Media should they decide to consolidate their offices. Just recently, Mr. Fosbrook commented they structured an agreement to provide sewer to the Emergency Medical Services Building and industrial property on the connector road.

Mr. Fosbrook stated his department would increase their marketing and business efforts to attract additional businesses, such as the biotechnology and nanotechnology industries, to Warren County. He acknowledged the infrastructure was in place, their development plan had been established, but, he said, he anticipated it would be approximately 0-2 years before it came to fruition. He added that currently Mr. Wohl and Mr. Wheatley were developing a new website design to market a variety of public/private properties.

Continuing on with Item 7, Warren County Tourism, Mr. Fosbrook stated there were a number of new hotels within the Lake George region and would continue to assist in growing the tourism economy within Warren County.

With respect to the Adirondack Regional Business Incubator, Mr. Fosbrook advised a development plan would be discussed at the next committee meeting.

Relative to the Adirondack Rail Line, Mr. Fosbrook stated his department needed to create an operating entity that included Saratoga and Warren Counties.

Since the North Creek Ski Bowl was within the Empire Zone, Mr. Fosbrook said they would assist the developer and businesses in the North Creek area in seeking additional benefits.

There being no further business to come before the committee, on motion by Mr. Stec and seconded by Mr. F. Thomas, Mr. Monroe adjourned the meeting at 10:28 a.m.

Respectfully submitted,

Debra L. Schreiber, Legislative Office Specialist