WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: **ECONOMIC GROWTH & DEVELOPMENT**

DATE: **MARCH 5, 2014**

COMMITTEE MEMBERS PRESENT:	**OTHERS PRESENT:**
SUPERVISORS TAYLOR	REPRESENTING ECONOMIC DEVELOPMENT CORPORATION:
WOOD	ED BARTHOLOMEW, PRESIDENT
BEATY	KEVIN B. GERAGHTY, CHAIRMAN OF THE BOARD
STROUGH	PAUL DUSEK, COUNTY ADMINISTRATOR
	JOAN SADY, CLERK OF THE BOARD
COMMITTEE MEMBER ABSENT:	FRANK E. THOMAS, BUDGET OFFICER
SUPERVISOR MONROE	SUPERVISORS BROCK
	CONOVER
	DICKINSON
	GIRARD
	SEEBER
	DON LEHMAN, *THE POST STAR*
	SARAH MCLENITHAN, SECRETARY TO THE CLERK OF THE BOARD

Mr. Taylor called the meeting of the Economic Growth & Development Committee to order at 10:20 a.m.

Motion was made by Ms. Wood, seconded by Mr. Beaty and carried unanimously to approve the minutes of the previous Committee meeting, subject to correction by the Clerk of the Board.

Privilege of the floor was extended to Ed Bartholomew, President of the Economic Development Corporation (EDC), who distributed copies of the agenda to the Committee members; *a copy of the agenda is on file with the minutes.*

Commencing the agenda review Mr. Bartholomew advised he was hopeful the successful career of City of Glens Falls native Jimmer Fredette in the National Basketball Association (NBA) could be used as an economic development tool for the area. He reminded the Committee Michael Jordan had played an exhibition game at the Glens Falls Civic Center against the New Jersey Nets during his rookie year with the Chicago Bulls. He continued since Mr. Fredette was also a Chicago Bull he hoped the possibility of arranging another NBA game at the Glens Falls Civic Center.

Mr. Bartholomew apprised a copy of the 2014 Goals and Initiatives for the EDC of Warren County was included in the agenda packet. He said the goals would be attached to the contract the EDC had with Warren County. He stated that although he had briefly discussed this at the previous Committee meeting he had organized a more detailed outline to highlight some of the internal efforts by the EDC to ensure they were in compliance with the Public Authorities Accountability Act (PAAA). He advised Mr. Strough, representing th Town of Queensbury; Mr. Taylor, representing Warren County; and Judy Calogero, representing the City of Glens Falls, all attended the first meeting of the EDC Board of Directors. He said they would be fully compliant with the PAAA for this year by March 31, 2014, as the audit by the Local Development Corporation (LDC) would be completed prior to the end of the month. He conveyed how important PAAA compliance was, as the majority of the financing for the EDC was provided by public funding.

With regards to the marketing plan, Mr. Bartholomew advised the concentration was on attracting and targeting the manufacturing and industrial base. He recognized the focus in the area was on paper making products, as there were several local paper mills, sawmills and logging operations that generated an important economic component for the region. He noted many individuals living in the City of Glens Falls and the Town of Queensbury worked at Finch Pruyn, LLC, while several residents from northern Warren County were employed in the logging and sawmill industries. He said he had received an inquiry from an out-of-state business considering expanding their wood manufacturing operation into the region.

Mr. Bartholomew stated he felt assistance should be provided to existing businesses that dealt with paper making products, as there was a demand for it. As an example he apprised Finch Pruyn LLC and International Paper had recently dealt with inventory shortages. He attributed the shortages to the cold weather, the logging industry being in a decline both locally and statewide, as well as experiencing issues with insurance. He said the issue was recognized by the State and they were examining the possibility of offering some incentives in conjunction with the Empire State Development (ESD) to assist the logging operations in the northern portion of the County. Mr. Dickinson interjected he felt there would not be an inventory shortage if the State would stop purchasing the majority of the forestry in the State. Mr. Bartholomew explained that while he felt Mr. Dickinson made an excellent point the current issue was in relation to the delivery system and not the lack of product available.

In reference to the medical device industries, Mr. Bartholomew advised the EDC was working with Angio Dynamics on the merger of their City of Glens Falls and Town of Queensbury facilities. He stated they were creating a worldwide warehouse distribution and adding production into the region.

Mr. Bartholomew apprised he felt the area was going to benefit from the partnering of the Glens Falls Hospital and Hudson Headwaters Health Network. He noted the agenda packet included a copy of an article featured in the *NY Daily News* that referenced the reporters recent experience with health care in the region. He explained a former *Post Star* employee had written the article detailing the exemplary medical care he received from the Gore Mountain ski patrol, the Johnsburg Emergency Squad and the staff at Glens Falls Hospital when he broke his hip while skiing at Gore Mountain.

With regards to the hospitality and tourism industry, Mr. Bartholomew estimated that 18%-22% of the population in Warren County was employed in one aspect or another of the industry. He said he felt more concentration was needed on this industry, as tourism was a major contributing factor to the economy in the region. He suggested the Committee members present their comments and/or suggestions with regards to the 2014 goals and initiatives of the EDC at the next Committee meeting.

Mr. Bartholomew advised a notable goal for the LDC in 2014 was to implement a new small business loan program for start-up businesses in the area of $10,000 or less to assist with costs associated with inventory, computer software and marketing. He said this loan would be included in the marketing plan that concerned all of the loans offered to businesses by the LDC. In reference to outstanding loans provided by the LDC, he stated they were reviewing their records and would be providing an update to the LDC Board within the next few weeks.

Regarding the Canadian Trade Business Initiative, Mr. Bartholomew apprised the EDC met with Congressman Bill Owens and a number of local businesses as part of their initiative to focus on bringing together businesses based in the region with their Canadian connections such as suppliers, subsidiaries, vendors, etc. He said a conference call was scheduled between the American Consulate in Montreal and Canadian officials to discuss constructing a list of businesses to target with County officials, as well as the Tourism Department, to present in Montreal later this year to undertake a business venture. He advised this type of venture had not been attempted for a number of years. He noted some of the companies in the area with significant relations to Canada were Irving Tissue and Genpak.

Mr. Bartholomew advised that the EDC would be working in conjunction with SUNY (State University of New York) Adirondack on the Start-Up NY Program. He explained this was an innovative program started by the Governor to attract new businesses to the region, as well as assist existing businesses with expansion. He apprised the criteria stated the businesses had to locate within a certain distance of the Queensbury campus of SUNY Adirondack or their satellite office in Wilton. He noted there was a 200,000 square foot limitation on the program; for instance, he said the Hacker Boat Company Operation consisted of 120,000 square feet, leaving 80,000 square feet available to new businesses. He added the central purpose for the initiative was to create new jobs.

Mr. Bartholomew stated the incentives offered to new businesses included not being required to pay any business, corporate, state, local, sales and property taxes or franchise fees for ten years. He added benefits to their employees were they would not be required to pay any income tax on their wages for the first five years they were in business. He explained if existing businesses developed a new product line only the new product line and the employees involved in the development would be eligible for the incentives.

Mr. Bartholomew apprised once the EDC completed their review of the program it would be returned to SUNY Adirondack for further review and then submitted to the State for final approval. He said when the plan was approved by the State, SUNY Adirondack would be permitted to accept applications and both the Municipality where the applicants were locating and the EDC could offer their opinions on the application. He noted there were other sources of assistance from the LDC, as well as the Counties of Warren/Washington Industrial Development Agency for businesses that did not meet the criteria for the Start-Up NY Program.

Mr. Beaty questioned whether there were any businesses that had expressed considerable interest in applying for the Start-Up NY Program and Mr. Bartholomew replied affirmatively. He explained he had spoken with one company that he felt was serious about relocating to this area. He pointed out timing played a major role in whether businesses would relocate to the area, as most companies wanted to commence operations immediately. Mr. Beaty asked whether the company that appeared to be serious about relocation to the region was from out-of-state and Mr. Bartholomew replied affirmatively.

Mr. Bartholomew advised he felt the advocacy of Senator Betty Little and the continued persistence of Mr. Monroe on matters concerning the APA (Adirondack Park Agency) were vital. As an example, he stated, he had attended a meeting in reference to a potential project in the northern portion of the County with representatives from the APA, NYSDEC (New York State Department of Environmental Conservation) and the State Comptroller’s Office. He said all entities involved indicated they would provide any assistance necessary, which he felt was a signal of an adjustment in the approach that was usually taken. Mr. Geraghty added he felt the meeting was productive and all interested parties recognized the direction the State was going in an attempt to add jobs.

Mr. Bartholomew indicated in order to be successful in recruiting new businesses it would be necessary to implement a swifter process to be more in line with the developers timetable. He said he felt it was impressive to outside developers when representatives at the State level, as well as the local municipalities attended meetings with them. Mr. Beaty added the faster and more streamlined the process was for new companies considering moving to Warren County the easier the decision would be for them to relocate to the region. He said he was pleased that the local municipalities, as well as the County were working with the EDC to reorganize the process to make it more efficient to assist in recruiting outside companies to the area. Mr. Bartholomew interjected the same cooperation was required for assisting existing companies with expansion and Mr. Beaty concurred.

With regards to power costs, Mr. Bartholomew stated continuing the cooperative relationship with National Grid to provide projections of the estimated power expenses for a five year period to the potential businesses was imperative. He explained the companies were required to provide certain types of information such as what kind of equipment would be utilized, hours of operation, etc. so that the EDC could transmit the information to National Grid so they could develop an estimate of power expenses over a five year period.

Another important component for recruiting potential businesses to the area, Mr. Bartholomew advised, was to provide a list of the tax incentives they may be eligible for through Start-Up NY, as well as the Excelsior Program. He pointed out New York State was in competition with other States the business was considering relocating to, as well.

Mr. Beaty questioned whether information on school districts was utilized in marketing potential businesses to the region and Mr. Bartholomew replied affirmatively. He explained the school districts information was used when out-of-state companies were considering relocating some of their point personnel to the region. He said there were exceptional school districts throughout Warren County.

With regards to tax rate, Mr. Beaty asked whether potential companies were aware of the tax rate in Warren County and how it compared to other Counties in the State and Mr. Bartholomew replied it was dependent upon the size of the company. He stated many companies from outside the area conducted research on their own, which was why he felt it was so vital for the EDC to upgrade their website to include a great deal of the information they were seeking. He said while the tax rate was not the leading factor for potential businesses considering relocating to the region it did play a significant role.

Mr. Bartholomew added other aspects that played significant roles in companies considering relocating to the area were the water and sewer lines, whether natural gas was accessible and the type of power source available. He pointed out there were no natural gas lines available north of Lake George, which he felt some types of business would find prohibitive. He stated that National Grid was attempting to address the fact that three phased power was not readily available in some portions of the County through a grant program.

Mr. Taylor asked Mr. Bartholomew to elaborate on what types of businesses considering relocation to the region would be eligible for the Start-Up NY program. Mr. Bartholomew advised according to the guidelines, retail businesses, commercial hotels, offices, lawyers, and accounting firms were all ineligible for the program. He apprised a large business in the manufacturing industry that was not a competitor of any existing businesses could relocate to the region and be eligible for the program, which would exempt them from real property taxes, sales tax and their employees would be excused from income taxes. He said the program provided an enhanced version of the benefits offered by the Counties of Warren/Washington Industrial Development Agency. He noted companies relocating from one area of the County to another would not qualify for the program. He apprised he anticipated difficulties in determining whether the applicants were in competition with any of the established businesses in the region.

Mr. Bartholomew reiterated the goal of the Start-Up NY Program was to generate new jobs in the area. He advised he felt involving the college in economic development was beneficial, as he felt it offered opportunities for curriculums to be developed catering to training and retraining employees.

With regards to the Floyd Bennett Memorial Airport Advisory Committee, he apprised, they had discussed a number of issues ranging from upgrading the current County website for better linkage to the Fixed Base Operators (FBO) and the EDC' s website to how to market the Airport, the surrounding industrial parks and a portion of the lands available for use at the Airport. He stated the next meeting would include a discussion on the property that was previously outlined for potential development over the last few years. He advised one of the goals of the Committee was to attract businesses related to the Airport such as repair and maintenance of airplanes. He added the Airport Manager and FBO would be contacting the Saratoga County Chamber of Commerce with regards to the air traffic the Saratoga County Airport was unable to serve during the month of August because they had attained maximum capacity. He said a mechanism could be developed to transport these particular individuals via limousine to and from Saratoga to accommodate them. He stated he felt the Committee was essential to marketing the Airport.

Mr. Bartholomew encouraged the Committee members to attend the EDC's annual Gore Mountain Appreciation Day on Friday, March 14th. He said there would be no presenters, as the day consisted of skiing and a luncheon at the Tannery Pub at noon.

Mr. Beaty queried whether Mr. Bartholomew could provide an estimate of the timeframe of when a company would be notified whether their application was approved by the State for the Start Up NY Program and Mr. Bartholomew replied he projected notification would be received within 60 days. He explained once the application was submitted to SUNY Adirondack they would have 30 to 45 days for review and to compile comments from the local municipalities and the EDC. He said once this was completed the application would be submitted to the State for final approval. He reiterated the main purpose of the plan was to create new jobs.

There being no further business to come before the Economic Growth & Development Committee, on motion made by Ms.Wood and seconded by Mr. Strough, Mr. Taylor adjourned the meeting at 11:01 a.m.

Respectfully submitted,
Sarah McLenithan, Secretary to the Clerk of the Board