

Mid-Hudson Regional Economic Development Council
Meeting 3
SUNY Purchase
September 15, 2011
8:30am-Noon

Meeting Notes

Opening Remarks

Lt. Governor Duffy, and Regional Council Co-Chairs Len Schleifer and Dennis Murray welcomed the Council and members of the public to SUNY Purchase for the third meeting of the Mid-Hudson Regional Economic Development Council.

Co-Chair Len Schleifer noted that an enormous amount of work was being done by work groups; Co-Chair Dennis Murray mentioned that the Council hosted its first public forum in Sullivan County and that it was very successful.

Co-Chair Schleifer opened the meeting with an overview of the meeting's objectives, including reviewing the timeline of the Council's tasks and what has been accomplished to date. He reviewed the draft vision statement and noted the work of the vision workgroup to refine the statement continues. He also reviewed the current list of work group members and leaders from the Council and discussed the strategic plan process and noted that everyone should also begin thinking about implementation of the five-year plan.

Workgroup Reports

Industry Cluster Workgroup: Councilmembers Marsha Gordon and Jonathan Drapkin discussed the list of 9 industry clusters currently under consideration by the workgroup and reviewed the data and research supporting the ideas of clusters. They also discussed several examples of successful industry cluster models around the country and provided more description on several clusters.

Discussion:

The Council discussed the process by which the working group chose the clusters. It was explained that the workgroup had representation from people from broad spectrum/sectors. State labor data will be used to prioritize clusters. It was also noted that job creation is the top priority in the identification of clusters and the foundation of economic growth.

Several members commented that while the clusters are on the right track, nine is too many. Three or four prioritized sectors would spur the most job growth.

Councilmember also discussed including agriculture as a sector. It was noted that our region has a lot of agriculture infrastructure and that existing companies are creating expandable, sustainable jobs in this sector and that the agriculture agricultural infrastructure has huge

potential to create jobs in the immediate future. It was also stated that agriculture should be included as a cluster and that farmers have four billion dollars in the Hudson Valley invested in agriculture and that food hubs will create jobs and that farmers in general use twenty-nine cents for every dollar they pay in taxes. It was also pointed out that Scenic Hudson has invested \$17 million total in preserving the land base in the Hudson Valley and there are emerging opportunities here.

- Based on the Council's discussion, the Industry Cluster Workgroup was asked to evaluate if agriculture should be included as its own cluster based on whether it would create jobs and if it measures up to the other standards for prioritizing clusters.

The council also discussed the issue of the regional plan competitive process. A concern was that there is a natural pull to get disproportionately focused on cash pull/competition. Most money is not value added money, it is already in the system from years/decades ago that will be re-directed. Clusters, as they stand now, include everything in the yellow pages. They need to narrow it down to include those with potential growth and market driven opportunities.

It was pointed out that that this process is not just about cash, but getting the \$40 million, and using it wisely, would get a consistent flow of projects in the region year in and year out.

Commented that we need to focus on market driven industries and obtaining new money, not just what is already in the system and that this is not just about the competition. The Governor is asking the each region define where the money should be spent. Existing money is being re-directed and acted upon differently than in the past based on regional plans.

The Council continued discussion on the issue of prioritizing clusters and choosing fewer. Noted that to be the best region, we must have a rapid response to new business growth. It was agreed that choosing clusters is complicated, and that considerations on long term and short term job growth and retention should be considered and prioritized.

- The next step of the Industry Cluster working group will be to prioritize the identified clusters.

Priority Projects Workgroup

Council member designee March Gallagher presented the draft criteria for the Council's consideration of Priority Actions and Projects. She noted that there is a large pool of criteria and that the focus is on job creation and retention. Projects will also be considered if they are ready to go, if infrastructure and regulatory requirements are in place and if the projects are sustainable in the long-term. Improving or enhancing infrastructure, protecting natural resources and attracting or sustaining related businesses are other criteria.

Discussion

Comment: Where is the focus on jobs? How are the criteria specific to delivering jobs? It was noted that the second criteria is to provide a positive economic benefit and that this will be based on hard data.

Comment: The Smart Growth Infrastructure Act compliance should be considered in the criteria. It is the law. Also commented that quality of life should be included as a criteria.

Comment: Quality of life, including housing and engaging young adults, is important.

Comment: Noted that “business ready” is as important as “shovel ready” when the end result is jobs.

Comment: Commented that locations in an urban center in the region should receive criteria points and that the poverty rate in a city should be considered. It was noted that distressed community was considered by the working group as a criteria.

Comment: Noted that issues specific to housing should be included.

Comment: Commented that other working groups have reached out to Chambers and Counties for information on economic development impediments (i.e. transportation, housing, etc.) and we hope to get this shortly. This will assist Infrastructure and Priority Project WGs.

Comment: Stated that the council should look at projects that can leverage private dollars. It was agreed that leveraging should be its own criteria.

- The Council moved, and approved, the preliminary adoption of the Priority Action and Projects Criteria with the consideration of leveraging resources added and that the working group will continue working on the criteria.

Consolidated Funding Application

Irene Baker from Governor Cuomo’s office gave a presentation on the Consolidated Funding Application. She stated that the CFA went live on September 2nd, will be open for 60 days (October 31 is the application deadline). She reviewed the timeline as it relates to the strategic plan and discussed the possible ways the Council will consider the applications.

Irene also discussed the issue of regional council members submitting applications. She noted that Council members can submit applications, but that they should avoid the appearance of impropriety by disclosing the statement of interest and refrain from voting and discussion on their application. For questions about that, council members should contact Seth Agate, Aimee Vargas or the co-chairs.

Discussion:

Question and Comment: Some formalization of the scoring process would be helpful and asked why the Council would not simply award every application points in order to get as much money as possible? Irene responded that in terms of the evaluation of the plan, it will be noted that when everything is a priority, nothing is.

Question: Will applicants know what their application scored during the process to give them the opportunity to correct/increase score?

Question: How does CFA abide by confidentiality?

Irene Baker responded that these two issues (opportunity to increase score and confidentiality) also relates to speed with which we process the projects. She said that the CFA process pulls/removes confidential info so only viewed by the State. ESD will continue to execute confidentiality agreements as needed.

Irene also noted that the CFA information and application is available online and that Chamber staff will be attending public events and conducting public workshops on the CFA.

Question: Asked for clarification on the issue of Council members not being approached by applicants to avoid undue influence. Is this practical when many members have contact with applicants as part of their jobs or role in the community. Irene responded that contact with lobbyists should be made through state staff. It was asked that this issue be further clarified.

Question: Asked for clarification re: CFA voting as it relates to votes by Ex-officios' reps. He understands that they will not have a vote. Irene responded that this is her understanding as well.

Comment: Transparency is of the utmost importance. He has posted all communication from organizations and individuals on the council's website. He asked Irene to please provide further clarification from the state's ethic officer on related issues of contacts.

Irene Baker discussed the process by which Council members will consider applications and suggested that the number of people on a CFA workgroup be determined by Council members. She also discussed the scoring timelines, and said that Regional Council scoring will likely be simultaneous with agency scoring because of the volume of applications. In response to questions, she also said that the Regional Council's CFA workgroup would probably meet monthly even beyond December and on an on-going basis to consider applications.

Comment: In economic development, you have days, not weeks, to respond and that there must be an expedited review process. Irene and the Lt. Governor responded that no opportunity or project will fall through the cracks and that the state's economic development process will remain nimble and flexible to respond.

- The Council approved preliminary adoption of CFA endorsement standards. Members also discussed the timeline for posting a draft strategic plan by early October so that applicants have a sense of the Council's priorities and direction.

Public Participation Workgroup

Council members reviewed and approved the Public Participation plan presented by working group leaders Mary Rodrigues and Robin Douglas. The plan includes details on public

participation through the website, the public survey, the community forums in each county, and a council presence on Facebook and Twitter.

- The Council approved adoption of the Public Participation Plan.

Public Comment Session

- Participant from the Housing Action Council commented on the use of smart growth strategies and using existing infrastructure.
- Participant urged the Council to consider the issues of quality of life as a critical component of economic development. He also urged the process to be transparent and driven from the bottom up.
- Participant from a housing development agency asked for clarification on the status of the DHCR unified funding grant in the CFA process. Irene Baker responded that staff was looking at that issue.
- Participant asked the Council to consider the issues specific to historic river towns in the region including waterfront development.
- Participant commented that small businesses and start-up businesses need access to capital and money for them is limited. He added that access to capital is limited and that leveraging capital is not always better than a project that can create hundreds of jobs in a transformative way.
- Participant commented that education and higher education is an important cluster in this region and an untapped economic development resource.

The Lt. Governor provided closing remarks to the Council and noted that the Council is doing very good work and should continue to be specific when defining impediments and to take advantage of public input and comment while developing the plan. He emphasized the priority of the regional economic development councils is to create jobs.

The meeting ended at noon.

(Note: The meeting's power-point presentation and all documents considered and approved by the Council are available on the Council's website, <http://nyworks.ny.gov/content/mid-hudson>)