

FINGER LAKES REGIONAL COUNCIL MEETING MINUTES

OCTOBER 3, 2011

Council Members Present: Lt. Governor Bob Duffy, Joel Seligman, Danny Wegman, Maggie Brooks, David Callard, Dick Colacino, Charlie Cook, Bill Destler, Ted Fafinski, Steve Griffin, Mary Pat Hancock, Pamela Heald (Via Conference Call), James Hoffman, Anne Kress, Brad MacDonald, Tom Macinski, Theresa Mazzullo, Augustin Melendez, John Noble, Cynthia Oswald, Sandra Parker, Mark Peterson, Tyrone Reaves, Hilda Rosario Escher, Kirsten Werner, Christine Whitman. **Representatives for Council Members Present:** Robert Aronson for Laverne Lafler, Ginny Clark for Rob Sands, Bret Garwood for Thomas Richards, Jason Molino for Marianne Clattenburg, Patrick Rountree for James Merrick. **Members Absent:** Bob Brown, AD Berwanger, Taylor Fitch.

Team Members Present: Robert McNary, Joe Hamm, Dave Seeley, Betsy Colon, Elaine Miller, Laura Magee, Dick Pettite, Kiska Stevens and John Striebich.

State Agency Members: Daniel Buyer, Victoria Daly, Paul D'Amato, Amy DeGaetano, Phil Giltner, Tim Joseph, Lee Loomis, Rich Parker, J.C. Smith, Ralph Van Houten, and Patricia Walsh.

Workgroup Co-Chairs: Dr. Bradford Berk, Sergio Esteban, Matt Fronk, Valerie Knoblauch, Nabil Nasr, and Jim Pierce.

Other Attendees: Greg Albert, Shaun Ossont, Joseph Stefko, Mark Michaud, Jordan Nicholson, Peter Robinson, Ellen Rosen, Judy Seil, Debbie Stendardi, Bill Strassburg, Ali Touhey, Kevin Busch, David Zorn, Laurie Chiumento, Phil Wegman, Annie Chwiecko, Scott Norris, Meredith Smith, and William Jenkinson.

Lt. Governor Duffy welcomed everyone to the fourth Regional Council meeting and also provided a copy of "Turning Points 2" by Randy Schuster to the Council Members. He thanked all those that made it to Albany for the Statewide Regional Council Meeting on September 27 and thanked everyone for their commitment of time. The new CFA process is a major change in how the State will address economic development matters moving forward. This is being done to make it easier for those seeking funding and to give the Regional Council an opportunity to review the projects and make sure they fit with the regional approach. As of January, the Council will meet once a month to continue to review CFA applications and monitor progress in achieving Plan goals.

Mr. Seligman thanked Lt. Governor Duffy for attending all of the Council meetings. He has attended 33 thus far across the State.

The Strategic Plan is due on November 14th and has three basic parts, as follows: 1. We are participating in \$200 MM competition for funding against the other nine regions in the State; 2. We are participating in the CFA Application Review Process for approximately \$800 MM of

funds from various state agencies. The Council will review these projects to determine alignment with our Regional Plan. We have a varied economy that deserves our mutual support; 3. We are writing the Strategic Plan, a document that will describe what we want to achieve five years from now and how we will get there.

Mr. Seligman summarized the Statewide Regional Council Conference held in Albany on September 27th. He explained that the Governor's Office made a presentation on what a winning Regional Strategy should include. There were also workshops that aligned with strategic economic sectors (e.g. agriculture, small business), a panel on workforce and education, a keynote address by former President Bill Clinton and an announcement by the Governor on the IBM/Intel expansion creating 7,000 jobs across the State.

Mr. Seligman asked the Workgroups to reconvene between now and October 7th, to go back through their plans, recommend transformative projects, articulate the firm commitments, provide complimentary financing commitments, explain specific timelines and define what the performance outcomes will be. He also stated the Implementation Agenda portion of the Plan needs to be fleshed out. We are planning to produce a discussion draft outline of the Plan so Council Members will have it before the October 18th meeting. Additionally, it can be presented to the public at the Open House meetings at the end of October. After those meetings the Strategic Plan Committee will work to get the next draft ready by the next meeting on November 1st.

The Consolidated Funding Application (CFA) process will be implemented between November 1st and November 14th. A CFA Project Review Committee must be appointed to accomplish this. Moving forward, the Regional Council will be expected to meet monthly to formally approve scored CFA applications. The scoring will be done by the Review Committee and carries a weight of up to 20% of the total State agency score.

Mr. Wegman thanked the Workgroup Members, stating that the reports are outstanding. He is impressed with what came out of the Workgroups and the approach. He has already implemented some of the ideas at Wegmans.

Next Mr. Peterson and Mr. Griffin gave a presentation on the Workgroup Reports. They thanked all of the Workgroup Members for their hard work. They also thanked CGR who coordinated the information provided by the Workgroups. They attended all of the meetings. The reports are online and there is a two page synopsis of each Workgroup's Report on the website for the Council's review. The workgroups consisted of about 160 members, including Regional Council Members. A few of the highlights coming out of the Workgroups were as follows:

- Our region is #1 in agriculture across NYS with 11,100 in jobs and \$310 million in payroll.
- We have a food processing powerhouse with 7,700 in jobs and \$390 million in payroll.

- We have abundant opportunities for active outdoor recreation and a rich and diverse array of museums and music (#1 in music degrees per capita among top 51 MSAs) with 25,000 jobs and \$510 million in payroll for tourism and the arts.
- Our region is central to many significant clusters for food processing, optics/imaging/photonics, energy innovation, life sciences and telecommunications with 49,000 jobs and \$3,930 million in payroll.
- We are an internationally recognized center for optics and photonics innovation and area home to the nation's first optics research center at the University of Rochester's Institute of Optics with 31,000 jobs and \$2,800 million in payroll.
- Our higher education has the highest concentration of degrees in key disciplines - #1 in Mathematics, Physical Sciences, Performing Arts, #2 in Biology/Life Sciences, #3 in Engineering and #4 in all degrees (Associates and above) with 33,000 jobs and \$2,100 million in payroll.
- We have competitive low cost health care (20% below the national average), a strong collaborative approach and a high quality of care with 64,000 jobs in health care and \$3,300 million in payroll
- Our region makes key contributions to innovations in fuel cells, biofuels, wind and solar energy with 8,000 jobs and \$600 million in payroll.
- We have strong competitors in business services, software, and telecommunications with 47,000 jobs and \$2,960 million in payroll.
- Major investments are already being made in the regional energy infrastructure with more than \$1.3 billion in capital expenditures being planned to spent on capital expenditures over the a four year period from 2010 through 2013.
- Our region is a powerhouse of innovation and new ideas often ranking as a top region nationally in terms of patents per capita.

Some common themes are as follows:

- Easing of laws and regulations that are onerous to business
- Link services for better efficiency
- Need to keep tourists here for longer periods of time
- Need for greater access to credit and capital to stimulate business growth
- Need for strategic investment in key infrastructure
- Need for workforce development
- Opportunity to develop hub and node strategies for entrepreneurship and innovation in small business development.
- Need for greater alignment of higher ed and IP development around current and emerging industry strengths
- There is great opportunity to build on the regions strengths

Mr. Seligman acknowledged the 17 of the 22 co-chairs that were present at today's meeting and thanked them for all of their hard work.

Mr. Cook stated that the State needs to become more business friendly to attract expansions and grow jobs/investment. Lt. Governor Duffy recommended submitting a list of the top 10 regulations, impediments, structural deficiencies that we have as a State and submit them with the Strategic Plan. The Chairman's Council will be addressing these issues and this will be good information for them to have.

Ms. Parker and Ms. Oswald stated the Vision Statement has been modified to reflect ongoing input. There was further discussion on this matter. A copy of the revised Vision Statement is attached.

Ms. Parker and Ms. Oswald also mentioned that the Priority Project Action Criteria (PPAC), which will be used to identify the transformative projects, had also been modified to reflect what was learned at the Statewide Regional Council Conference. It included such new items as: firm financial commitments, direct job creation, leveraging other funds, advancement of women and minority owned businesses, support of entrepreneurial activity and innovation, small business development, good paying jobs, etc. A copy of the revised PPAC is attached.

Dr. Kress expressed her concern about the HC4 project that is a union benefit offered by 1199 Civil Service International to their workers in the health care field which MCC is partnered with. It takes entry level workers that are not making very high wages, starts them on the path to higher level employment, which creates opportunities for those individuals advancing and opening up the entry level jobs for new employees. She does not want to lose site of the fact that entry level employment is extremely important for the many displaced or under employed people in our region. Ms. Parker remarked that they tried to capture that in Access to Opportunity. Mr. Garwood also commented that in Rochester there is a 30% rate of poverty and there is a desperate need for entry level jobs.

Mr. Rountree expressed his concern that rural areas could suffer from the emphasis on job creation. For example, agribusiness does not create many jobs but is extremely important in these areas and has substantial impact on their economy. The Lt. Governor said that he understood this concern and stated that impact on a particular economy should be the top priority.

Mr. Seligman then asked for a motion to approve both the Revised Vision Statement and the Revised Priority Project Action Criteria. Mr. Destler motioned and Ms. Mazzullo seconded it. Mr. Seligman asked if there was further discussion and there was none. A vote was then taken and it was unanimously approved with no objections and no abstentions.

Mr. McNary then reviewed the CFA Application Process, as follows:

- The applicant submits the online CFA Application, a single electronic application that allows applicants to learn about multiple economic development programs.
- There are both universal questions that all applicants must answer, as well as specific State Agency questions that are reflective of the specific funding programs.

- The State Agencies review the applications for eligibility and respond to the Regional Councils. If an application is not eligible, then the Council does not review and score it.
- The Executive Director sends the application to the Council members. If a member has a conflict they recuse themselves.
- The State Agencies continue to do their due diligence on the particular application. They also must score it.
- The Executive Director forwards the application to the Council's CFA Review Committee for review and scoring. They compare the project to the CFA Endorsement Standards adopted by the Council
- The Committee scores the project and an average of the score is recorded.
- The Committee's scores are forwarded to the Council. The Council meets and must approve the recommended scores. The Council can alter the score. Members who have a conflict must recuse themselves from discussion and voting. Non-elected officials do not vote on CFA applications.
- Scores are forwarded to the State Agencies.

He noted that we are currently waiting on further refinement and approval of the CFA Process by the Governor's Office.

Mr. Callard asked if the council will be reviewing the financial viability of the applicants. Mr. McNary stated that this will be considered confidential information and the financials will only be reviewed by the specific state agency. It is also the role of the agency to look at the feasibility and viability of the projects.

Mr. Seligman opened the meeting up to the public. He gave opening remarks and stated a summary draft of the Strategic Plan would be presented at the October 18th Council meeting. It will also be available to the public at the Open House meetings on October 25th, 26th and 27th.

Mr. Hamm gave a presentation on how we are planning on introducing the draft Strategic Plan at the next public forums at the end of October. There will be three meetings, one in Batavia, one in Geneva and one in Rochester. A brief presentation will be given and then the participants will be asked to visit different stations that correspond with the Plan elements and make comments. There will be Council, Workgroup, and State staff available to help facilitate these sessions.

Mr. Hamm also stated he will visit some areas that have not had as much Regional Council coverage and solicit public input. Additionally, a newsletter will soon be released that will provide Regional Council and Strategic Plan updates.

Lt. Governor Duffy, Mr. Wegman and Mr. Seligman thanked all who have participated and given so much of their time and expertise. This is what will make our Plan a success.