

# FINGER LAKES REGIONAL COUNCIL MEETING MINUTES

## OCTOBER 18, 2011

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

**Team Members Present:** Robert McNary, Joe Hamm, Dave Seeley, Irene Baker, Ed Downey, Kristen Fragnoli, Juliana Frisch, Kent Gardner, Elaine Miller, Laura Magee, Kiska Stevens and John Striebich.

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

**Other Attendees:** Greg Albert, Josh Farrelman, Amy Happ, Mark Michaud, Peter Robinson, Ellen Rosen, Judy Seil, Debbie Stendardi, Bill Strassburg, Chris Weist, David Zorn, Scott Sttel, Sheila Strong, Scott Norris, and Kelly Tyler.

**Members of the Public and Media:** Tom Tobin, Matt Chatfield, Thomas Gunter-Kroners, Noah Brown, and William Jenkinson.

Lt. Governor Duffy welcomed everyone to the fifth Regional Council meeting and indicated that he appreciates what the Council membership is doing. He provided several observations, as follows: (1) the Regional Council process has been successful in bringing people together to work on such a comprehensive economic development effort for the benefit of the region at large, (2) the Plan will have life after November 14<sup>th</sup> and (3) the process is good to illuminate what we need to do to improve the business climate for the State as a whole and its regions. He also thanked Mr. Seligman, Mr. Wegman and Mr. McNary for all of their diligent work.

Mr. Wegman thanked the Lt. Governor for his ongoing support. He stated that we are breaking new ground with this activity and also thanked the Council membership for their commitment of time. He indicated his appreciation for what Mr. Seligman and his team have done to move the effort forward, as we continue to develop and refine the Strategic Plan.

Mr. Seligman thanked Mr. Wegman and also the co-chairs of the Vision Committee and the Existing Conditions and Economic Opportunity Committee (Ms. Parker, Ms. Oswald, Mr. Peterson and Mr. Griffin). They have not only been carrying out their duties with these two

committees, but have also agreed to serve on the Scoring Committee(s) for the CFA Process. Additionally, Mr. Seligman also thanked Mr. Michaud, who has been drafting the Strategic Plan document, as well as Josh Farrelman and Peter Robinson on his staff.

Mr. Seligman stated that the Team has been diligently composing the Plan and an initial draft of the first half is now ready for review and comment by the membership (e.g. Summary, Vision, Existing Conditions, Goals Strategies, etc.). Today we plan to review it section by section to see what suggestions the Council has. We then hope to gain Council consensus on this interim document so that we can take it to the public at the open house forums next week. Over the next week we will continue to work on the second half of the report, including detailed strategies, the implementation agenda and performance measurements.

He then indicated that as part of the Implementation section of the plan we will need to review and prioritize the Transformative Projects, ones that will be competing for the \$40 MM, should our Region be selected as one of the top Regional Strategic Plans. These projects must align with our Priority Project Action Criteria. Things such as complimentary financial commitments, funding leverage and job creation are important, as is geographical balance. The two committees are being asked to score and prioritize these projects.

Mr. Seligman related that it will be our goal to have the first half of the Plan document in good shape by the November 1<sup>st</sup> meeting, with a draft of part of the second half. By the November 9<sup>th</sup> meeting we will circulate a full document, although not necessarily complete. The Council can then vote on it in principle and circulate any amendments by e-mail.

Next there was discussion by members about the general message that the Plan should convey. Ms. Whitman stated that we are not just competing in side New York but also nationally and internationally. Mr. Destler said that some individuals outside of our region believe that our time has come and gone, with the passage of our large manufacturers (such as Kodak). Ms. Parker stated that our relatively low unemployment has made some believe that we do not have needs.

Mr. Seligman the initiated a discussion and solicited comments on the draft Plan as a whole and on the individual sections. Following are some of the thoughts and recommendations:

- Dr. Kress stated that the draft Plan appears to be spending a lot of time on background explanations and not enough time on substantive portions, such as strategies, etc. Mr. Seligman encouraged comments like this from the membership (i.e. unnecessary parts, items that should be added, etc.) and asked everyone to e-mail them to Mark Michaud, as he is drafting the Plan.
- Mr. Noble asked if we could put some of the higher education narrative in an appendix. Ms. Whitman echoed this, asking if supporting data and charts could be placed there. Mr. Seligman stated that there was a decision that appendices are often not read and therefore we would try to place all of the relevant material in the text of the report. Dr. Kress stated that maybe we could combine some of the Higher Education data. Dr. Destler said that he felt the 2009-10 data was old and should be replaced with 2011-12 data to present the best case.

- Under Healthcare and Life Sciences, Mr. Seligman indicated that this section included a variety of economic interests. Mr. Noble stated that he suspected that there are many small start-up businesses in this area and we should include a statement to this effect.
- Mr. Macinski stated he doesn't see the section on Innovation and Entrepreneurship represented. Mr. Seligman responded that it was unclear whether it stood alone or would be most effectively integrated into the other sectors.
- Mr. Rountree stated he did not see anything in the Plan on Community Development, incorporating the importance of "livability" of the community (e.g. downtown revitalization, housing, retail, services, etc.).
- Dr. Destler said that the formatting of the document is not good and that the various sections should be differentiated more clearly.
- Ms. Oswald is going to ask the Tourism and Arts Workgroup to condense their report and also draw a closer connection to to agriculture.
- Mr. Macinski stated that under agriculture it should be pointed out that half the land in the region is dedicated to farming, with a high percentage of acreage in wine grapes. It is also important to note that the growing Amish and Mennonite communities in the southern part of the region are a significant factor in agriculture and tourism.
- Mr. Peterson stated that we need to recognize the importance of job retention, as it can be very transformational. This was recognized with the GM investment project not long ago. Ms. Brooks will work with the City and some of the IDA representatives to advance some wording on this.
- Ms Hancock indicated that on-farm agriculture is critical to our economy in many ways, including direct benefit from farming itself (e.g. new ag products, new techniques). And technology in agriculture is, in fact, reducing the number of jobs needed. On the other hand, Mr. Wegman stated that food production is a growing and dynamic part of our regional economy. He cited such examples as LiDestri Foods, Alpina Yogurt in Batavia and his own operation. Mr. Seligman recommended that we add a notation that food manufactured in our region is exported to other parts of NYS and the nation, and that we quantify this in some way. Mr. Hoffman recommended that we made a distinction between farmers markets and farmers. He will send this information to Mr. Michaud.
- Mr. Griffin noted that we are a region of entrepreneurs and the Plan should describe this in greater detail.
- Mr. Wegman stated that we should promote our lower health care costs and the superior care facilities. If you compare our health care costs to the national average, our costs are 41% lower in this region. That means considerable savings for companies that provide health care to their employees. Of course this is an enormous advantage in retaining employers and attracting new one.

Mr. Seligman next led a conversation about the critical issues and opportunities and asked that we focus on the top three. Following are some of the comments:

- Dr. Destler felt that calling attention to the lack of venture capital should be taken out as this could call attention to a problem and question our ability to grow our companies.
- Mr. Peterson stated that there is a role for NYS to play, from both a legislative, monetary and regulatory basis - to allow investment of NYS funds in venture capital pools.
- Ms. Whitman stated that New York City is only a short distance away and maybe we need to pursue such funds there, as well as encourage a change to our conservative entrepreneurial culture.
- Dr. Kress stated that we should turn the issues around in the report so they become opportunities. Mr. Cook stated any of these could be rephrased and have a positive spin put on them.
- Ms. Brooks stated that if we line up the critical issues, the number one is excessive taxation and regulation.

Mr. Seligman shifted to the final section of the economic development strategy and Ms. Brooks stated we need to figure out where the government process or incentives fit in with our strategy as so much of what is done is based on that assistance. Almost everything is contingent on government incentives or assistance and we need to incorporate that into the strategic plan. Ms. Brooks will work on finding the best place to put this and Mr. Seligman stated he liked it as the first strategy as so many projects have been done with government support.

Ms. Whitman stated the whole document needs to exude the idea we are changing our culture.

Mr. Seligman stated he thinks he has a title to the document, "Accelerating the Transformation". It captures the economic state, it captures where we want to go, it doesn't promise we complete the transformation in five years as the truth is no region is ever complete, it is always a work in progress. It has energy. Ms. Hancock stated that we can put our brand on it as that can be any part of the region.

Mr. Seligman asked for a motion to approve the draft strategic plan to be released to the public for the open house meetings on 10/25, 26, and 27. Mr. Destler made the motion and Mr. Macinski seconded it. All were in favor, no opposed and no abstentions. It was unanimously approved.

Mr. Seligman welcomed the press and public and explained that Ms. Baker will present the CFA process and secondly then Mr. Wegman, Lt. Governor Duffy and he will wrap up the meeting with an overview of everything that was discussed and where we will be going.

Ms. Baker gave a powerpoint presentation on the Consolidated Funding Application. She explained this is an important part of the Governor's agenda to change how business is done in the state. This will be an ongoing process and the Governor felt better to have some regional

input on these applications. The next step is the endorsement phase and is where the initial scoring team will get to work. The RC will be endorsing which projects will be eligible for the full scoring process. The recusal process will start by 10/24. The application deadline and application assignments begin on 10/31. The strategic plans need to be submitted by 11/14 and the regional council endorsements should be finalized. The RC endorsement weighs 20% of the score and the remaining 80% belongs to the agency for the technical score, who will start looking at the draft plans to start identifying which projects align with the RC strategic plan. Ms. Baker also explained the Priority Project Action Criteria as well as the Scoring Criteria. The transformative priority projects have more leeway as there aren't the state controlled requirements.

Mr. Wegman gave his closing remarks by stating that one of the things that struck him is we are calling ourselves the Finger Lakes Region. He had an idea of working together to save money and expenses. Wegmans introduced a method of communicating that improved communications with other retailers and it worked so well that Walmart has joined that effort. If we are going ask the state to be more efficient, we need to do so ourselves.

Mr. Seligman stated we should add a friendly amendment to the draft that we add a section to start on reducing excessive taxation and regulation that some of these issues start in the Finger Lakes and we will encourage efforts to focus on how regional cooperation and consolidation can lead to efficiencies to better the economy. Everyone was in agreement with this.

Mr. Seligman summarized where we are going, we will have two more meetings, one on 11/1 and one on 11/9. What we did today was review what is about 50% of the Strategic Plan, will become a public document and be the basis of the public meetings on 10/25, 26 and 27. We have not addressed what the second half of the plan will be and we have asked our workgroups where they would like their cluster to be in five years. This text will be added to the next draft of the Strategic Plan. We still have to address the broad strategic plan, the milestones and how we will get there. We also have not included the priority projects that the RC is recommending to the state. These projects must meet have firm commitments, a 5:1 leverage and have significant job creation. This was a terrific meeting and is deeply grateful for Lt. Governor Duffy, Mr. McNary and Mr. Hamm and the many others working on this project.

Lt. Governor Duffy stated it was a great meeting and stated that we have to identify how we are separate, what is the best of our region. People don't know this region and one reason is we don't cover what happens in neighboring cities. There is a lot going on in this region but we don't tell our story. This region can be a draw but we are not perfect and we have to change. This council can distinguish itself and can set itself apart. This is the beginning of the process. He thanked everyone for their time and for the co-chairs and Mr. McNary.