

FINGER LAKES REGIONAL COUNCIL MEETING MINUTES

April 17, 2012

Council Members Present: Lt. Governor Robert Duffy, Joel Seligman, Danny Wegman, A. D. Berwanger, Maggie Brooks, David Callard, Richard Colacino, Charlie Cook, Bill Destler, Ted Fafinski, Steve Griffin, James Hoffman, Dr. Anne Kress, Tom Macinski, Theresa Mazzullo, Augustin Melendez, John Noble, Mark Peterson, Tyrone Reaves, Thomas Richards, Hilda Rosario Escher, Robert Sands, Christine Whitman. **Representatives for Council Members Present:** Jay Gsell for Mary Pat Hancock, Mitch Rowe for Robert Hayssen, Patrick Rountree for James Merrick, Jason Molino for Timothy Buckley.

Members Absent: Bob Brown, Taylor Fitch, Pam Heald, Bradley MacDonald, Cynthia Oswald, Sandra Parker, and Kirsten Werner.

Team Members Present: Robert McNary, Joe Hamm, Dave Seeley, Irene Baker, Megan Daly, Juliana Frisch, Kent Gardner, Dick Petite, Kiska Stevens, Jason Conwall.

State Agency Members: Victoria Daly, Paul D'Amato, Amy DeGaetano, Phil Giltner, Linda Hardie, Tim Joseph, Sharon Leighton, Lee Loomis, Lori Maher, Laurie Moore, Richard Parker, Leonard Skroll, J. C. Smith, Julie Sweet, Robert Traver, and Ralph Van Houten.

Other Attendees: Greg Albert, Ginny Clark, Josh Farrelman, Amy Happ, Julie Marshall, Mark Michaud, Scott Steel, Bill Strassburg, Joe Chan, Kathleen Kingsley, Sean Hart, Jackie Carson, Kevin Hurley, Jim Senall, Ellen Rosen, Judy Seil, Laurie Chiumento, Deb Stendardi, and Tom Tobin.

Lt. Governor Duffy welcomed everyone to the second Regional Council meeting for 2012. He asked that everyone introduce themselves, and turned the meeting over to Mr. Wegman.

Mr. Wegman thanked everyone for being there. He stated that one of the recent concerns is what is going on at Eastman Business Park. With the Kodak bankruptcy there is uncertainty about continued operation and maintenance of the Park utilities.

Mr. Seligman stated that in this second year we have a chance to make some significant gains. We will not be developing a new plan but we will be focusing on how we want to modify and implement it. We have a lot of talented people involved in our workgroups that will be pivotal in the implementation. He explained that again this year our Region will compete for funding. He noted that some of last year's projects still need more funding in order to be fully implemented. Additionally, we should recruit new priority projects.

Mr. McNary stated the first item on the agenda is the appointment of the Executive Committee Members. The purpose is to allow ESD to expedite the Regional Council approval of economic development projects. The Executive Committee will act on behalf of the Council on these matters and others, as the Council meetings are not frequent enough. The members suggested for the Committee are Mr. Peterson, Mr. Griffin, Ms. Parker, Ms. Oswald, Mr. Seligman and Mr. Wegman. These individuals have taken the ethics training and signed the Code of Conduct. They understand the need for confidentiality. Mr. Seligman asked Mr. McNary if he wanted to propose those names for a vote and Mr. McNary stated yes. Mr. Destler made a motion to approve the names as presented and Mr. Macinski seconded it. Mr. Melendez asked for discussion on the motion and stated he was glad there were women included but would advocate appointment of a person of color to complement the group. Ms. Rosario Escher seconded the amendment. Mr. Seligman nominated Mr. Melendez to serve in this capacity and all members agreed with this. The motion was amended by Mr. Destler and seconded by Mr. Macinski to include Mr. Melendez as an additional member of the Executive Committee.

No further discussion was held. The motion was unanimously approved, with the new Executive Committee including: Mr. Seligman, Mr. Wegman, Mr. Peterson, Mr. Griffin, Ms. Parker, Ms. Oswald and Mr. Melendez.

Lt. Governor Duffy indicated that the State is working closely with Kodak on the preservation and enhancement of the Eastman Business Park (EBP). He then introduced Joe Chan, the ESD V.P. of Real Estate appointed by Kenneth Adams to coordinate this project. Mr. Chan stated that ESD is fully committed to finding a public/private partnership that will keep Eastman Business Park as an asset in the Region and State over the long term. He stated that Kodak is in the preliminary stage of bankruptcy restructuring, called the stabilization phase. The task is to work to stabilize their assets and operations and begin the restructuring process. ESD hired Brian Cave, a bankruptcy law firm to advising ESD on how to work with Kodak. Kodak is planning on filing their corporate restructuring plan in the first quarter of 2013. ESD has met several times with the Park tenants and has heard from them that their biggest concern is the continuity of utility services. ESD is also in the process of finding an engineering firm that can provide expertise to ESD on the status of the utilities, the O and M costs, an assessment of future operations, impact on the tenants, etc. ESD is working with Kodak to try to bring more certainty to the continuity of those leases. The Agency has also engaged the relevant state agencies and each has engaged a high level staff person to focus on Eastman Business Park. WE are working most actively with are the DEC, the NY Power Authority, Public Service Commission and the Bankruptcy Council. We are also talking with potential purchasers of the Park utilities. Of course ESD will maintain ongoing communication and coordination with the Regional Council on this matter.

Mr. Wegman made a motion that, as Eastman Business Park was our top priority in the Plan last year, it is important to reaffirm this so both the community and the state understand it. Mr. Peterson seconded it. There was no further discussion and it was unanimously approved. Mr. Wegman thanked the Lt. Governor and Mr. Chan for their attention to this matter. Mayor Richards also noted that he is now feeling like we are headed in the right direction.

Mr. Peterson next gave an update on the workgroups, stating that out of eleven workgroups, eight were industry sector focused and three were cross-cutting. The industry sector workgroups will now be advisory groups that we can rely on for feedback and input on proposals and trends that we may not be aware of. Mr. Seligman stated that the updated Plan will address new/modified strategies and proposals. It may also assess our progress in terms of meeting the performance metrics. Mr. Wegman and Mr. Seligman will assemble a team to work with Mr. Peterson to create new charges for the workgroups. These will be shared at our June 11th Council meeting.

County Executive Brooks stated that she feels there is the need to incorporate more policy related matters into the Council's updated Plan. Monroe County has worked successfully with public/private partnerships such as ENCOMPASS, Building Healthy Children, Hillside Work Scholarship Connection and the Nurse Family Partnership. These services are crucial to the community at large and do a lot to promote more business expansions. It is a best practice in Monroe County and is helping a lot of people. Mr. Seligman encouraged everyone to share any additional or new ideas and felt that we could find a place for this approach in our revised Strategic Plan.

Mr. Seligman asked Mr. Strassburg to explain the Reverse Auction Commodities Buying Program that he has been working on with Monroe County. Mr. Strassburg indicated that Wegmans has been utilizing reverse auctions for several years. It is a mechanism that promotes low bids for commodities and services. However, in working with Monroe County they learned that electronic auctions of this type are not legal in NYS. As a result, Mr. Finnerty (Monroe County Procurement) has suggested to the Council that we request special State legislation that would allow Monroe County to perform up to ten reverse auctions for commodities (not

services). Mr. Strassburg indicated that Mr. Finnerty felt that it would be less controversial to just utilize commodities. He stated that it would also probably be more agreeable to the State legislators if we limited the number of auctions at this point, until the concept can be proven. Mayor Richards made a motion to approve the recommended State legislation and Mr. Fafinski seconded it. Mr. Seligman called for a vote and all of the members approved it, with the exception of Mr. Cook. He indicated that it was his experience that the concept was not always good because sometimes businesses will issue low bids just to take the business away from reputable companies, even though they are losing money on the deal.

Mr. McNary next provided a status update on the Priority Projects approved during the last CFA Round. He stated that there were seven Priority Projects approved out of the 10 top Priority Projects recommended in our Plan. Additionally, there were also seven Excelsior Jobs Program applications approved. Incentive Proposals have been issued for all seven of the Excelsior Projects and all but three of the Priority Projects. Mr. Seligman asked for clarification on what an Incentive Proposal (IP) is and Mr. McNary explained that it is an agreement that both ESD and the applicant must sign before the applicant can start incurring costs that they will later request reimbursement for. Mr. McNary also stated that we may be looking for a press event on these projects, and this is important to the Governor's Office.

- NY BEST, located in Eastman Business Park - the Incentive Proposal is pending.
- High Blood Pressure Collaborative, Finger Lakes Health Systems Agency - the Incentive Proposal is pending.
- Business Accelerator Cooperative, High Tech Rochester - there are some challenges with this project and we are working with High Tech Rochester to resolve them before an IP can be finalized.
- University of Rochester, Health Science Center for Computational Innovation – an IP is being developed, as project information has been received.
- Economic Gardening and Internal Harvesting – the Incentive Proposal has been signed.
- Finger Lakes Museum – the Incentive Proposal as been signed.
- Seneca AgBio Energy Green Energy Park, Seneca Army Depot - Seneca County IDA needs to hold a public hearing and vote on the project. The bonds will then have to be sold. No IP is needed.

Mr. McNary introduced Mr. Hurley from ESD, explaining that he put together the Excelsior Tax Credit Project together. All of the IP's have been signed for these projects.

- Sutherland Global Services
- Qualitrol
- Mabrouka
- Newstead Ranch aka Kreher's Sunrise Farms
- AJL Manufacturing
- E2E Materials – Just received approval for CDBG funds on top of ESD's Excelsior Tax Credits.
- Document Reprocessors – Location has not been.

Lt. Governor Duffy next introduced Derrick Utter from the SAGE Commission. Mr. Utter stated that the Governor asked SAGE to take on four primary tasks: (1) look at organizational structure of State government, (2) look at ways to improve operations, (3) Look at performance management as a tool and (4) look at the core mission of government. SAGE has taken the first step to realign government.

There are now 70 agencies created by authorities, smaller specialized agencies, and agencies created to oversee other agencies. The Commission evaluated organizational streamlining by merging agencies, combining management teams, creating centers of excellence, workforce development tracking and looking at services that can be provided statewide (such as procurement, real estate, and Information technology) and taking them out of the individual agencies. Other ideas which came out of these discussions were energy efficiency, shared services, technology initiatives, and process streamlining. There was also the belief that improved performance management could make the agencies more efficient by tracking metrics for each state agency and holding them accountable. NYS is in the process of developing our own performance management model, based on those of two other states. Additionally, agencies have been doing things that are not required of them by statute and the State is looking closely at that; the state is looking at functions that could be provided more efficiently by the private sector; and the state is looking at assets that are under-utilized. Mr. Utters e-mail address is Derek.utter@sage.ny.gov, should Council members wish to reach him.

Ms. Rosario Escher brought up the fact that she is often scrutinized by multiple state auditors. She asked if they could be better coordinated and more efficient. Mr. Utter asked her to forward him the specifics of this situation.

Mr. Hoffman raised a concern about the Great Lakes Joint Commission plan to raise the Lake Ontario water levels. This will erode the shoreline, harming properties and the real property tax base in these areas. Tourism will also be negatively impacted. Four of the Wayne County Towns that have lakefront account for 41% of the County's tax base. which will erode the tax base and harm the lakeside communities. Wayne County has five lakefront townships which account for 41% of their tax base. Lt. Governor Duffy asked Mr. Hoffman to contact Sean Hart and get him all the details so he can follow through on this matter and get back to him. Mr. Callard, from Orleans County, stated that there have been some projections that there could be a billion dollar negative impact, with most of it in Niagara, Orleans, Wayne and Monroe counties.

Lt. Governor Duffy then opened the meeting up to the public.

He introduced Ms. Baker who gave a presentation on the anticipated CFA competition for 2012. She touched on the following topics:

- The State Agency Resource Teams (SART) will be much more engaged in the next round. Julie Sweet from DOS will be pulling together the state agency teams and provide a plan on how each agency will be able to assist the Council with implementing our strategies. However, Mr. McNary and ESD are ultimately responsible to track all of the projects that come through the CFA process.
- The 2012 CFA Round will have a competitive piece. ESD will be providing \$174 MM in Capital Assistance, plus \$70 MM in Excelsior Tax Credits and \$3 MM in I Love NY fund. Each region will compete for these funds. There will also be additional resources of \$530MM from eleven or so state agencies and 27 different programs. The CFA Round will open in May, with applications due by mid-summer. The scoring of the applications by the Council will be done by late summer, with fall award

announcements. The Council will also submit its updated Plan documents demonstrating implementation and performance. This will include the list of 2012 Priority Projects. This year there will be more dialogue between the state agencies and the applicants, hopefully leading to better applications. There will also be several CFA application workshops in each region in the spring.

- There have been improvements to the online CFA application process, including a new mechanism to save applications, the reduction of duplication areas, the ability to go back and change the application, improved uploading, improved scoring clarity, etc.
- Housing programs were pulled from this year's CFA Round. However, other programs were added, such as culture and the arts, agriculture, etc.
- The Council will need to report on the progress to date in implementing the strategies, tweaking the Plan (e.g. new or modified strategies), creating a pipeline of projects, selecting Priority Projects, etc.
- The Administration is concentrating on addressing regulatory reform and mandate relief.

Mr. Seligman asked if we would see the next set of guidelines by May 1st. Ms. Baker stated she was shooting for this, but by the end of the month the Regional Councils would have this information. Mr. Seligman noted that with this information in hand we will be able to activate our workgroups.

Ms. Baker also stated that one of the Governor's recent initiatives is the "Path Through History". This is a program to highlight tourism and historical assets in NYS. He wants to focus on the Thruway Corridor and proposes to establish workgroups in each region led by the State Parks team. Regional Council representation will also be integrated into this.

Mr. Seligman introduced Mr. Hamm and asked him to give an overview of our 2012 Public Engagement Strategy. Mr. Hamm reviewed what was done last year with six public engagement meetings and over 1700 comments received. This also included workgroup involvement, extensive media coverage, "office hour" meetings, presentations to local organizations, etc. In 2012 we are looking to have three public forums starting in May in Batavia, Rochester and Geneva. We will have facilitated sessions at these events to discuss implementation, strategy updates, etc. We are also proposing to reach out to key community groups such as Ibero. In September we are proposing a Capstone event where we might be able to partner with a public radio or tv station in the area so we could reach thousands in the Region.

We are holding four CFA Workshops, three in May and one in June. We will again use our website as a driver for information, with the ability to solicit public comment from this source. We may also make use of the surveys more this year and put them up on the website for people to complete. We are continuing to engage area leaders and stakeholders through the workgroups and advisory groups. We will continue our outreach with the media and engage them. We will try to replicate the "Office Hours" approach we held in Livingston County last year but we will focus on the counties we have not hosted a public forum in and will try to reach all of our counties.

Mr. Destler stated that this is an opportunity to use the forums as a report out for what we achieved last year and what we didn't achieve. Mr. Hamm stated we are planning on doing this. Mr. Cook stated that he was asked to do a presentation a couple months ago and Mr. Seeley had put together a power point presentation for him and that Mr. Seeley should be able to share that if anyone else was asked to do a presentation.

Mr. Seligman noted that the next Council meeting is scheduled for June 11th at MCC at 3:00 PM. He also told the public that we have been informed by ESD that there is considerable work occurring on the preservation and enhancement of Eastman Business Park.

Mr. Wegman stated we are attempting to change a State law that will allow us to work together and do some cooperative buying. He thanked Lt. Governor Duffy for suggesting this idea.

Lt. Governor Duffy thanked everyone for attending the meeting and all the hard work that they do behind the scenes. He asked that if anyone has any suggestions for the SAGE Committee to submit it to Mr. Utter.