

**ULSTER COUNTY LEGISLATURE
COMMITTEE MEETING MINUTES**

NAME OF COMMITTEE: Economic Development & Tourism Committee

DATE: April 5, 2010

TIME: 4:45 P.M.

PLACE: Library Conference Room, 6th Floor
244 Fair Street, Kingston, NY

LEGISLATORS PRESENT: Chairman James Maloney, Legislators Rodriguez, Hayes, Petit, Sweeney, Terrizzi, Donaldson and Loughran

LEGISLATOR EXCUSED: Walter Frey Jr.

OTHERS ATTENDING: Legislator Michael Madsen, Arthur Smith Budget Director, Dennis Doyle Director Department of Planning, Bob DiBella Public Transportation UCAT, March Gallagher Deputy Dir. Economic Developmt./Planning, Lance Matteson President UC Development Corporation, Carl E. Meyer The Solar Energy Consortium, Elliott Auerbach Ulster County Comptroller, Victor J. Melville LWV Observer Corp., Nettie Tomshaw Legislative Staff

The meeting was called to order by Chairman Maloney at 4:55 PM.

- Attendance
- A motion by Legislator Rodriguez was made to accept the March 1, 2010 Committee Meeting Minutes, seconded by Legislator Sweeney, all were in favor, Carried.

Ulster County Development Corp. (UCDC), Lance Matteson:

- Addressed questions on resolutions presented before the committee for April Session
- Requesting same base contract performance initiative structure as last year with a few tweaks
- The Solar Energy Consortium (TSEC) resolution would utilize (UCDC) as the recipient, Sub-grant to (UCDC) - monies already appropriated
- Additional \$15K for Empire Zone Administration Support
- Metropolitan Statistical Areas (hand out) Ranked by Total Private Sector Growth Rate 2/09-2/10, Kingston, MSA growth rate +0.2% , statically high ranking 2nd, compare to the rest of the state
- Overview (hand out) of the Empire Zone - what it does and it's importance in Ulster County
- Gave Summary - Performance Based Economic Development Plan, #8 Resolution 0423 on agenda, two changes from last year contract, #1 - 50% match by the County on private contributions received by UCDC has been removed to encourage private sector contributions, and #2 - retention - price per job (incentive pay) lowered from \$1000 per job to \$500 per job. (see amendment to \$750)

Discussion: History of previous contracts - different leadership views and direction.

Chairman Maloney - Expressed his thoughts for putting more value on the creation of new jobs.

Legislator Rodriguez - Past retention and creation of jobs were set at varying price points - wanting to put more resources in UCDC hands to be closer to neighboring counties price points for economic development. Accepts this administrations decision to focus more on creation of jobs vs. retention.

Legislator Donaldson - Wanted to create an idea that there are bench marks that need to be met. Stated in the past we gave them cash and said go do your job! The County needs tracking and continue to track and to get the community involved with UCDC. Also feels removing the county match is counter productive as community involvement makes for a better unit.

Legislator Terrizzi - Questioned the wording "every new quality job created" - If not filled how does the payment come into play? What's the meaning of a "quality job"? Posting vs. announced vs. filling vs. retention - concerned about county paying for jobs posted but never filled. Requested amending resolution wording to go back to 50% payment when job is created and posted and 50% when job is filled.

Group discussion ensued over job terminology / accountability of jobs vs. payment terms, along with company documentation requirements.

Legislator Rodriguez - Requested amendment to increase payment from \$500 to \$750, Section 1 retention. Also noted documentation requirements are stated in the resolution.

Legislator Loughran asked how many jobs filled vs. posted last year? (information spelled out on spread sheet from previous mtg. - Lance to resend) Then asked, how many of the newly created jobs from last year are still active? Also asked if a job title changes to a different title, is that considered a new job? Lance M. stated no - it has to be new to the company, and added jobs go up and down in the normal course of things - continually evolving.

Lance M. and Legislator Rodriguez said tracking documentation of job creation, etc. is very stringent - extensive. CEO sign offs etc. - takes time on all parties and there are risks.

TSEC, Lance M.: Addressed concerns of overlap / role / pass through - UCDC vs. TSEC. TSEC sub-contract - work on same projects but performs different functions. TSEC function in broad strokes - specialist & consultant in our area on the solar industry, manufacturing, distribution, technology, research and contacts in this industry. UCDC's role is the economic development portion of the project, real estate sites, incentives, development issues etc. Some overlap on the edges but no more. Noting UCDC is legally responsible contractually to oversee TSEC expenditure of county funding. TSEC plays a critical role for the county funding because they provide a match for much bigger dollars (millions) mostly from the federal government which will land in Ulster County. TSEC home base was Ulster County and has also received national recognition.

The Solar Energy Consortium, Carl E. Meyer:

Thanked Chairman Maloney for the invitation to attend the meeting. Gave overview of self, company - sharing President and CEO responsibilities / functions with Vinny Cozzolino. Carl oversees the everyday functions of the company while Vinny provides the industry partnership growth and communications. Company receives funding from the County, State and Federal level among others. Qualified - a job is a job when you can walk down the isle and count the noses - manufacturing jobs is the goal. Focusing on

the type of manufacturing jobs like IBM - attracting companies to the Hudson Valley - mainly Tech City utilizing existing space. In 2009 in Ulster County alone we successfully created / facilitated 186 jobs. And 125 jobs at Globe Specialty Metals (makes the silicone) in the Buffalo area and some jobs in IBM Fishkill (uses the silicone to make the solar cells). Kingston's Solar Tech Renewable Company in Tech City in turn uses the solar cells to build solar panels - all growth is linked together - and this is what the Solar Consortium does. 2010 schedule forecasts 300+ jobs - not including Precision Flow Technologies growth. For 2008 ~ 2010 approx. at the 1000 job mark.

Legislator Loughran asked if they are still working on solar thin films - the product. Yes, Prism in the Town of Lloyd working toward this. Prism's soon to be new \$2.88 million Dept. of Defense Grant will be for the manf. of solar thin film technology - R&D for army back pack use. No jobs created yet but there will be. What time frame are we looking at? Two years, still in the prototype stage.

Legislator Rodriguez wanted to reaffirm that Ulster County is their first stop - priority as we are your largest local share/match. Carl Meyer agreed that this cluster in Ulster County is very important to his company. Ulster County has the talent and skills and gaining momentum in the solar PV industry. Their main focus - interests is job creation in Ulster County. Very appreciative for Ulster County dollar match / commitment noting matching monies is very difficult to come by.

Legislator Terrizzi asked how many solar PV technology type of jobs have been created in Ulster County in 2009. Carl M./Lance M. said 140 jobs in Ulster County - 100+ of them with Precision Flow alone.

Legislator Donaldson asked what qualifications are needed for these jobs. Primarily 2 types, significant engineering skills - former IBM skilled types, and also manufacturing type assembly workers. Not so much along the research type of jobs.

Empire Zone, Lance Matteson: (provided handout what the Empire Zone is and does) Kingston/Ulster Empire Zone provides state tax incentives for qualified companies - which sun sets end of June. Latest word is it is unlikely to set then - may be rolled over for a year or more. Having a comprehensive successor program in place by then in not likely. Keeping a very close watch. Many companies are certified and depend on these tax credit incentives such as the property tax reimbursement program and investment tax credit and have made investments on the strength of these credits. The incentives level the playing field with other competing states in the northeast for jobs. Most importantly the State has stopped paying administrative expenses for this state program. Asking \$15K from the County - same as last year. This is a very important program - governed by a board.

Legislator Sweeney - Is this request for funding because the state may pull the funding? Yes in part and because some of the local communities have dropped out - unable to support, however the county has always provided funding indirectly.

Comptroller, Elliot Auerbach: (letter handout) Would like to see Draft Resolution 0405 (Approving The Proposed Certificate Of Incorporation And Consenting to The Formation Of A Local Development Corporation) (LDC), tabled until the end of the week pending additional information based on the legality of this local development corporation - is it legal or not for the County to authorize this. If the County can be indemnified then we can move forward comfortably. The Comptroller noted his office has spent 4 weeks on this matter and will provide a final opinion at the end of the week.

Discussion ensued on the legality/history - Lance M., Chairman Maloney, Leg. Donaldson and Leg. Rodriguez feel comfortable proceeding. Lance M. - NYC for years and at least three upstate jurisdictions recently have been using it. The board would do whatever the IDA can't do in regards to

non-profit, and would be a mirror board to the IDA - same members. Right now a local non-profit in Ulster wants to utilize this tool. Leg. Donaldson - All items have been hammered out over the past year. Leg. Rodriguez - Amendments can follow if necessary. Leg. Terrizzi and Leg. Petit would prefer to wait for the Comptroller's final opinion due back in the next couple of days. Chairman Maloney explained that this board would be approving funding for not-for-profit projects, such as the Gardiner Library. The State let this law expire two years ago and hasn't renewed it, thus the need for the formation of the LDC to provide funding for not-for-profit projects. Two billion dollars in construction projects have been held up in the pipeline for the past two years, material, jobs, everything. The reasoning last month putting this resolution on hold was based on incorrect information.

Budget Director Arthur Smith/Bob DiBella Transportation: Overviews UCAT Draft Resolution Nos. 0416 and 0417 - Bus Shelter Agreement and Amending 2010 Capital Project Fund, Fuel Storage Facility UCAT. Also pointed out the HAKS Company agreement - construction management services for capital projects is listed on the abstract this month.

Legislator Rodriguez thanked Bob DiBella for saving the day (fuel storage containment system) to help to keep the project moving forward along with Dennis Doyle.

Rick Remsnyder and Lisa Berger Tourism Update: (provided handout)

- Wrapping up production on 2010, 60pg. Travel Guide - Goes to print May 1st
- 100,000 copies of guide to be printed & on stands May 15th
- Works very close with the tourism advisory board
- Using Marketing Works (advertising agency) for the second year
- Shared cover of guide with committee (opted for single image cover this year)
- Direct mail, 3 thruway stops, Contracted w/ Utica Travel, Albany Airport and trade and travel show distribution
- 30 second Video, Radio, TV commercial NYC market, Cable TV and one of the major networks, production is being worked on as we speak
- Considering small 3 month NYC Grand Central shuttle Ad, looking at demographics
- Trade Shows: NY Times Travel Show, Javits Center, Atlantic City RV & Camping Show Atlantic City (camping - outdoor recreation only section of growth in NYS), Lower Hudson Valley Golf Show Westchester County Center, LBGTQ Expo Javits Center, Kingston Lion's Club Expo, Group
- Partnering with surrounding counties at trade shows- very successful & cost effective
- Reach out to local businesses and organizations
- Ads on all but two UCAT buses, 5 new buses will have complete wrap Ads on them
- Discussion to better track leads/quantify leads ensued, coding, signups, hooks, back page reply
- Results are reflected in the number of requests after a show via website or call ins.
- Facebook ads - great potential, cost effective - also local paper ads directing readers to website were not successful - Leg. Sweeney
- Unique URL brainstorming - Leg. Rodriguez

Dennis Doyle, Planning: Overviews Draft Resolution No. 0425, Authorizing County to submit applications and assurances for HUD block grant funds for 2010 to the NYS Office of Community Renewal (OCR).

- Fund to be split between two organizations - UC Cornell Coop. Ext. for farm worker housing rehab for \$400K and RUPCO for county housing rehab \$350K.
- Public Hearing Scheduled for April 13th
- Same application as last year - housing rehab - different dollar amt.
- Public Hearing will have more detail that's not in Resolution
- County Administers until another agreement is signed then administered by Cornell and RUPCO
- Program delivery & administrative costs is 18% of the total cost. County recaptures \$7500 for the whole grant - 10% of the total.
- Total fees for the whole grant approx. \$90K - 100K for both agencies - unsure as he hasn't seen it yet.
- Funding allocation time frame will part of the Public Hearing Draft Applications
- Home ownership is not a good application at this time as banks are very tight w/ lending.

**Dennis Doyle asked if there is an interest in having an Orientation Session for Legislators for program information - Transportation, Open Space, Public Facilities etc. Chairman Maloney felt this is a very good idea and to schedule it possibly the 2nd week of the month Thursday @ 5PM. * More info to follow *

- 1) Draft Resolution No. 0404 – April 20, 2010: Urging The New York State Legislature And Governor Of The State Of New York To Oppose Senate Bill No. S2247-B and Assembly Bill No. A1867-A To Amend The Labor Law Requiring Collective Bargaining, Overtime, Unemployment And Disability Benefits For Farm Workers

Discussion on memorializing resolutions and Leg. Donaldson voiced his disapproval for taking away farm workers rights to overtime.

Motion offered to move Resolution forward by Legislator Hayes, Seconded by Legislator Maloney, Ayes (5) Noes (3 - Legislators Donaldson, Loughran, Rodriguez)

- 2) Draft Resolution No. 0405 - April 20, 2010: Approving The Proposed Certificate Of Incorporation And Consenting To The Formation Of A Local Development Corporation

Motion offered to move Resolution forward by Legislator Donaldson, Seconded by Legislator Maloney, Ayes (6) Noes (2 - Legislators Petit, Terrizzi)

- 3) Draft Resolution No. 0416 – April 20, 2010: Authorizing The Chairman Of The Ulster County Legislature To Execute Bus Shelter Agreements With Various Municipalities Throughout The County Of Ulster – Department Of Public Transportation (Ulster County Area Transit)

Motion offered to move Resolution forward by Legislator Rodriguez, Seconded by Legislator Donaldson, Unanimously in Favor, Carried

- 4) Draft Resolution No. 0417 – April 20, 2010: Amending Capital Project No. 312 For Ulster County Area Transit Building Upgrade And HVAC Controls And Amending Capital Project No. 313 For Construction Of A Ulster County Area Transit Fuel Storage Facility – Amending the 2010 Capital Project Fund – Department Of Public Works (Buildings And Grounds)

Motion offered to move Resolution forward by Legislator Donaldson, Seconded by Legislator Terrizzi, Unanimously in Favor, Carried

- 5) Draft Resolution No. 0420 – April 20, 2010: Approving 2010 Appropriation And Guidelines For Funding The Kingston/Ulster Empire Zone – Amending The 2010 Ulster County Budget

Motion offered to move Resolution forward by Legislator Rodriguez, Seconded by Legislator Sweeney, Unanimously in Favor, Carried

- 6) Draft Resolution No. 0421 – April 20, 2010: Authorizing The Chairman Of The Ulster County Legislature To Execute An Agreement With The Ulster County Development Corporation – 2010 Appropriation

Motion offered to move Resolution forward by Legislator Rodriguez, Seconded by Legislator Loughran, Unanimously in Favor, Carried

- 7) Draft Resolution No. 0422 – April 20, 2010: Authorizing The Chairman Of The Ulster County Legislature To Execute An Agreement With The Ulster County Development Corporation For Specific Solar Consortium Related Services – 2010 Appropriation

Motion offered to move Resolution forward by Legislator Rodriguez, Seconded by Legislator Loughran, Unanimously in Favor, Carried

- 8) Draft Resolution No. 0423 – April 20, 2010: Approving Administrative Guidelines For A Performance Based Economic Development Plan Agreement Between Ulster County Development Corporation And The County Of Ulster – 2010 Appropriation – Ulster County Development Corporation

Motion to amend Resolution was offered by Legislator Terrizzi to edit language back to 50/50, 50% when the job is created and posted, and 50% when the position is filled. Seconded by Legislator Hayes, Unanimously in Favor, Carried.

Another motion to amend Resolution was offered by Legislator Rodriguez to increase payment from \$500 to \$750, Section 1 for Retention. Seconded by Legislator Loughran, Unanimously in Favor, Carried.

Motion was offered to move Resolution forward as amended by Legislator Rodriguez, Seconded by Legislator Loughran, Unanimously in Favor, Carried.

- 9) Draft Resolution No. 0425 – April 20, 2010: Authorizing The County Of Ulster To Submit Applications And Assurances For HUD Community Development Block Grant Funds For The Year 2010 To The New York State Office Of Community Renewal (OCR) – Department Of Planning

Motion was offered by Legislator Donaldson, Seconded by Legislator Maloney. All were in favor with (1) Abstention, Legislator Petit due to employment.

Chairman Maloney thanked the committee for their attendance and input.

Legislator Rodriguez motioned, seconded by Legislator Loughran to adjourn the meeting @ 6:30 PM. All in favor.

Respectfully Submitted,

**James Maloney, Chairman /nt
Economic Development & Tourism Committee**