

**SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**IDA BOARD WORKSHOP MEETING**  
**March 23, 2016**  
**County Planning Offices Auditorium**  
**50 West High Street, Ballston Spa**

**PRESENT:** Members: Chairman Rod Sutton, Glenn Rockwood, Michael Mooney, Phil Klein, and Andrea DiDomenico, Mary Beth Hynes-Walsh.

**STAFF & GUESTS:** Richard Ferguson, CEO; Michael J. Toohey, Esq., Counsel to the Agency; James A. Carminucci, Esq., Bond Counsel; Michael Valentine, Administrative Assistant; Dennis Brobston, SEDC; Ryan VanAmburgh, SEDC; John Munter, Steve Williams, *The Daily Gazette*; Marty Vanags, SSCP; Anita Daly, Rita Cox, Gary Dake, Ed Kinowski, Stillwater Supervisor, Philip Schwartz, Alyssa McClenning, David Wood, and Lori Eddy, Secretary.

**ABSENT:** Arthur Johnson.

Chairman Sutton called the meeting to order at 8:00 a.m.

Chairman Sutton welcomed everyone to the Workshop Session for review of the Agreement between the Prosperity Partnership and the Saratoga County IDA. Chairman Sutton stated he would like to set some parameters. He stated Prosperity Partnership and the SEDC would have 10 minutes to speak. Chairman Sutton stated he would have some remarks and anyone else from the audience would have time to speak as well and then the Board would go into their discussion.

Mr. Vanags thanked the IDA Board for the opportunity to speak regarding the proposal. He started by introducing the Board Members of Prosperity Partnership in attendance. He stated it is a privilege to be able to do economic development in Saratoga County. He came here about a year ago to work for the Saratoga County Prosperity Partnership, an organization formed by the County to do economic development, to be a pro-active force, to sell the County to the community, to help existing businesses and attract new businesses to the region. In July we created a 4-point plan with our Board that we released in December and it consists of attracting companies and sectors that we believe are very strong in the region. That study looks at the sectors of agriculture, advanced manufacturing, back office data processing, research and development and warehouse distribution. We are also very interested to help existing businesses grow and expand, and for that, they are launching a business retention expansion program. In fact, they are working with the Saratoga County Chamber and Southern Saratoga Chambers as their inaugural partners, in that project.

The Prosperity Partnership is also very interested in leveraging the investment in Global Foundries and the Luther Forest Technology Campus, in that regard he has spoken to some of the members about a project they are working on that would enhance not only the supply chain network, but also provide an opportunity for education and workforce training. This would create a pipeline for Global Foundries and for other companies that might be interested in coming to Saratoga County in the space of semiconductor industry and advanced manufacturing. Finally, they feel it is important from an economic development perspective, to have a good strong local government partners. Local, state,

federal and to that they are advancing all of their relationships and meeting literally every day with different people. He stated he is meeting this afternoon with Senator Chuck Schumer's office and they have been all over the State, and later this month they are going to Washington D.C. to meet with some Congressional delegations and agencies all for economic development in Saratoga County. Mr. Vanags stated today we are here to talk about this proposal that we have before you. Before going any further, he would like to propose a change to the proposal. He is telling this to you but also some of his Board members. He is taking some liberty in doing this. They have not approved what he was about to say, but in the spirit of economic development and creating an atmosphere that is conducive to a lot of activity here, we want to make sure we do something that is going to be beneficial to the community. One of the things we have to do is constantly look at how to lower the cost of economic development. How do we get companies to come here to consider the community and consider to invest here? He has noticed, there are a lot of costs associated with starting a business in New York State. Coming to the IDA and getting this great benefit through a PILOT or sales tax exemption or mortgage tax exemption, there are still a lot of costs involved. In the spirit of trying to reduce those costs, he proposes to eliminate section 2 of the agreement, which is the fees. If the Prosperity Partnership brings a project to the IDA, we are not going to collect a fee, or we can collect a fee and rebate our portion back to the company if that is the legal requirement for us to do. If we eliminate the fees, it gives us just one more opportunity to bring businesses here and entice them with an incentive that they normally wouldn't have.

In return, they do want to continue to work in a collaborative nature with the IDA and so in section 1 which talks about the services, they want a unified approach to the outward look of economic development to the community. The community goes to the County website or the IDA website or the Chamber website, we want that website to point to the Partnership so that we can provide and coordinate and collaborate with all our partners on economic development. They want to move forward, they want to work collaboratively and work in a transparent and accountable way. That is why they put everything on their website for anyone to look at. Mr. Vanags thanked the Board for their time.

Chairman Sutton then asked Mr. Brobston to speak to the members of the Board.

Mr. Brobston stated that with him today is John Munter, SEDC Board member. If there are any questions to be asked of the SEDC Board, Mr. Munter is here to assist with those questions. Mr. Brobston stated that he was here on behalf of SEDC, the Board of Directors and Governors and more than 350 private sector investors. Mr. Brobston thanked the IDA for the opportunity to address the important role the SEDC plays in economic development in Saratoga County and why it makes sense for the IDA to continue its longstanding and successful contract with our organization. The SEDC is grateful for the collaborative relationship we have developed with the IDA for decades. Saratoga County government and the people of the County have benefited greatly from our partnership. The booklet we have passed out is titled "Four Decades of Job Creation, Retention and Capital Investment" and it shows projects throughout the County, ones that SEDC has worked on and many of which this IDA has been a partner. Since our creation in 1978, SEDC has helped over 200 businesses, we have helped attract major employees to the region and we have helped retain major employers. SEDC's collaboration with the private sector has led to the creation of over 17,500 new jobs and over \$13 billion dollars in new investments and many tax revenues. SEDC has never argued for an exclusive arrangement with the IDA. Quite simply, we think it makes sense for the IDA to work with both organizations to bring jobs and new investment to the County. We think that it doesn't matter who helps save or create jobs, what matters is that jobs are saved and created. The IDA has demonstrated that same spirit of collaboration for the

past year by accepting applications from both SEDC and the Prosperity Partnership and we see no reason to change. We see no benefit to the people of Saratoga County if the IDA enters into an exclusive contract with the Prosperity Partnership. We see no benefit to closing the door in the face of an experienced, dedicated organization with a proven 38-year track record of success that has helped make economic development in Saratoga County the success it is today.

If the IDA decides to move ahead with an exclusive agreement with the Prosperity Partnership, SEDC will move forward as well. Businesses continue to turn to SEDC for assistance because of our proven track record of success and we will continue to help bring new jobs and investment to the County. We also have the continuing and growing support of our private sector members who invest in us and our efforts to help the County. We are financially strong and committed to what we do best, creating and retaining jobs. With that said, we hope you will look beyond politics when making your decision and focus on what is right for Saratoga County, what is right for the residents and taxpayers, what is right for our business community and what is right for those businesses interested in moving here. What is right is not an exclusive contract with the Prosperity Partnership, but inclusive contracts showing willingness to work with both the public and private sectors to grow our County and Town. SEDC would like to continue its contract with the IDA and we hope you will find that is the right thing to do. Thank you. Chairman Sutton thanked Mr. Brobston.

Chairman Sutton stated the Saratoga County IDA has been an independent public benefit corporation created in 1971 to promote, develop, encourage and assist in the construction, expansion and equipment of economically sound industrial and commercial facilities in order to advance the job opportunities, general prosperity and the economic welfare of the citizens of Saratoga County. The agency's primary role is to provide financial assistance and incentives to the business community in order to maximize the private capital investment in the economy of Saratoga County and to develop opportunities for job creation, job retention within the County through the use of its own assets, public funds and private investments. Some of the goals that we have to maintain would be the number of new businesses that we assist, number of existing businesses assisted, number of jobs created and maintained, salaries of jobs and retention of jobs, total dollar amount of private investment from IDA assisted projects and the number of firms and employees hired during the construction phase. Last year in 2015, we were involved in 7 projects. \$2.5 billion dollars invested in new and existing properties. 719 full time jobs were created last year. Over 4,000 full time jobs were retained last year. 1,800 construction jobs were started. The salary ranges anywhere from \$20,000 up to \$200,000 and the annual payroll was over \$280 million dollars. So this is pretty good economic development in just one year. With success also comes challenges. We saw what just happened with Dollar General. We lost Dollar General to a neighboring County and that is after we committed to an \$11.4 million dollar tax abatement and with the cooperation with the Town of Wilton to provide services. In Saratoga Springs, we have two marketing firms that are leaving Saratoga. That is a total of 60-70 jobs. So the competition for economic development is fierce. We are not only competing with every industrial park in the State of New York, but as in Dollar General, they told us they are looking in Connecticut and Massachusetts as well. However, Saratoga County continues to be a success story. We have a great transportation system, we have good highways, railways, waterways, and our economy is not dependent on any one industry. We have good schools, we have good housing, and we have a good workforce. The public sector is strong. We have a tremendous tax base, we have the lowest tax base in the State of New York and our private sector is totally involved in economic development. Saratoga County has credibility. We are known on a national and international level. Since 1971, the Saratoga County IDA has helped establish economic growth in the fields of manufacturing, warehousing, tourism, agri-business, retail

and now Nano-tech. The IDA is a proud, independent partner with Saratoga County in its economic growth.

Chairman Sutton asked if there was anyone who would like to speak. Chairman Sutton recognized County Supervisor Mr. Lawler. Mr. Lawler stated he just wanted to be clear about the intention of our proposed contract. The IDA's relationship with any other organization is between the IDA and that organization. When we are referring to exclusivity, we are referring to the exclusive right to market Saratoga County outside and inside of Saratoga County through our marketing efforts which have been very extensive. Mr. Vanags has travelled extensively in the last year making contacts. It is important, we feel, that Saratoga County's economic development efforts look as cohesive and easy to use as possible to those who are looking at us from the outside. When we are referring to exclusivity, we are referring more to a marketing exclusivity. Our proposed contract is not meant to preclude another organization from working with the IDA. We don't think that is in Saratoga County's best interest.

They also feel that no business that wants to come or to expand in Saratoga County, should be required to pay an additional fee to work with the IDA. So one of the things we wanted to do was to eliminate section 2 of the agreement, which he doesn't think is an adversarial position. We are basically saying we will work for free. We will market the IDA for free as part of our overall effort. We are very happy to provide our professional services at no charge to IDA applicants. In turn, that is the opportunity for the IDA to potentially reduce their fees to the applicants because it is one less expense that the applicant has. What their proposal is basically to provide these services for free. We are not really asking anyone to preclude working with anyone else. The exclusivity that we refer to in our contract is simply for the purposes of marketing Saratoga County as a great place to build or expand a business, promote the services of the IDA, and establish ourselves, through our own marketing efforts, as the point of contact for individuals interested in learning more about Saratoga County. That is the sum and substance of our proposal. If the IDA wants to have relationship contracts with 100 organizations, that is between the IDA and those organizations. He thinks it makes great sense. There are a lot of business people in front of me and behind me, and he would think that most business people would agree that it makes great sense to streamline and promote, make it easy for your prospective clients to do business with you and give them an opportunity to learn more about your service or product. That is what this proposal is about. He just wanted to be clear about this. We are not here to say who you can or can't do business with that would be extremely presumptive on our part. But we would like to have an agreement that states we are the designated partner with the IDA for marketing purposes. Again, we think we need to bring something to the table, we need to add value to the proposition. Our added value is we will work with businesses, applicants, the IDA at no charge. Hopefully that is helpful.

Chairman Sutton stated this information would have been more helpful previous to this meeting. Mr. Lawler stated it wasn't until the last day or so that they became aware of this. Chairman Sutton stated the contract we have before us does not state any of what you just said. The contract we have says in Section 1 you are asking that Prosperity Partnership be the exclusive basis to provide economic development to the services that shall include and it goes down through the various steps. We are eliminating section 2 which is the financial aspect of what your proposed contract reads. Mr. Lawler responded exactly. Chairman Sutton stated that there are other caveats to that elimination of exclusivity, it triggers other actions within the contract and he thinks these are things we need to discuss. Given that, is there anyone else that would like to speak?

Stillwater Supervisor Mr. Kinowski stated he would like to say a few words. He took a perspective on what he would say as Town Supervisor of Stillwater. The Partnership is embodied out of the Board of

Supervisors, and has been embraced by the Board of Supervisors. So, if I had a business approach me, I would reach out to the Partnership because it has been embraced, once again, by the Board of Supervisors as the face and organization that is needed to represent Saratoga County in the future. When he first became Supervisor, SEDC was the only one to bring in economic development to Saratoga County, at least that is the way it looked. As he sat on the Economic Development Committee and learned more about the County and how it worked, he thought there was a time for change and he thinks the process involved has been extremely transparent. What the Partnership can do, is to represent what the people would like to see in Saratoga County in moving forward. I don't think there is any business or industry that can make that step to the next level unless they have the support of the Supervisor, Planning Board and this Committee. Sitting on the Board, it has been a privilege and he has seen how we can certainly move the Board as a partnership with each of the communities within Saratoga County. He just wanted to clarify some of the thoughts that his fellow Board members of the Partnership, as well as this agency, that helps support the businesses and every community that exists in Saratoga County and represents the face of growth. Chairman Sutton thanked Mr. Kinowski.

Chairman Sutton asked if there were any other speakers. Mr. Lawler spoke regarding the contract the IDA has with SEDC, and the requirement whether applicants are required to work with the SEDC. Chairman Sutton stated that the simple answer to that is when an entity comes into Saratoga County, it is referred to us, and we then send that out to Saratoga Economic Development. They then walk them through the process of application, they are quite familiar with our UTEP, so we will then take a look at that entity so that they know that it is a project or a business is something that the County is willing to take a look at and offer them a PILOT program. There are certain criteria, there are certain businesses that we are not entertaining for PILOT programs. This vets out that portion of an application where the SEDC will decide whether this is a project that we want to see come before the IDA. They have been very instrumental, but it doesn't preclude anyone else from coming to us if they want to fill out the application. We don't turn down projects because they don't want to work with SEDC. With that, we have two contracts before us, we have the IDA Agreement that we sent to Prosperity Partnership back in September, 2015. The revised contract has been sent back to us two weeks ago with quite a few changes, and now we have additional verbal changes we have to consider as we have our discussions.

Chairman Sutton stated he would like to open up the meeting for any questions that our committee may have of ourselves or Prosperity and/or SEDC. Mr. Rockwood questioned procedurally, we don't have a document at this point that we are able to act on based on what they have told us today, so are you withdrawing your current application and negating the need for a vote here today, or are you going with this contract that you have put before us. Mr. Vanags stated that in the contract, strike section two. Mr. Toohey stated there has also been a discussion about the word exclusive and the sentence that is in here, exclusive is not consistent with what your Chair just explained to us. Mr. Lawler stated they are comfortable with redefining the contract if you feel that would be clearer. Mr. Rockwood stated he thinks you don't have approval from your Board for the changes that you are requesting. Mr. Vanags stated that his understanding is that this was for discussion only. Chairman Sutton stated this is something that we would like to put to rest. You have had our contract since September, and we have just received an amendment to our contract less than two weeks ago. We have had eight months that we have been looking at this and talking about this. It is time to let economic development take its course. He respects everything the Prosperity Partnership is doing, and he thinks they have a tremendous team. We are stagnant right now. So what we have done is stop the economic development process. If I am John Q. Citizen coming here and wanting to develop a project, the guy throws his hands up because he doesn't know where we are going. We have two contracts out here. We would like to get this resolved. This has been time consuming for my Board and your Boards as well.

That is the purpose of this discussion. You came in here at the eleventh hour to change this contract, and like what Mr. Vanags stated, if you want to approve the contract as proposed to you, you have the right to do that. Mr. Mooney stated we could approve the contract with some proposed changes to the exclusive nature and just change that to referrals and marketing or something like that. Mr. Vanags stated if you change it, he will bring it back to his Board and ask them to review.

Ms. DiDomenico stated she had a few questions, and she is not sure if the members of the Board of the Prosperity Partnership can answer them because she is not sure if they have an attorney with them. She is not intimately familiar with how your organization came about other than what she read in the newspaper. Are you a separate not-for-profit and under what section of law were you formed? Mr. Vanags stated they are a 501C. Our only member of the corporation is the County, sole member, and the County Board of Supervisors appoints our slate of members. We select our own officers and make our own bylaws. Mr. Lawler responded we are under the Public Authorities Law. Ms. DiDomenico stated it raises a question for our attorney, you are offering to do a service for us, and we are a governmental entity also, and we cannot gift away our services because New York State constitution says a governmental entity cannot gift away its services for free. We are not allowed to gift any of our assets without adequate consideration being exchanged. She stated she is wondering to what extent your offer to us, to do this work for us, without being paid a fee, is contrary to what New York State law says that Public Authorities are supposed to do and not do. Mr. Lawler stated that wouldn't change the fact that we aren't charging a fee, meaning that you are not disposing of any assets. Ms. DiDomenico stated you are, you are providing a service that may be controlled by certain rules of New York State that says if you are considered a Public Authorities and you are governed by the New York State constitution, to not make gifts of your assets because you are a governmental agency of some sort. She stated she does not know the answer to that question because this is just something new presented this morning. Mr. Lawler stated he is fully confident that their attorney has given that consideration. They are very comfortable with it. This is not an unusual event for an Economic Development Corporation to contract for the services. Mr. Toohey agreed that is certainly an interesting question for them to address. Mr. Lawler further stated that the second part of what Mr. Vanags proposed is if you feel as though you have to pay them a fee, then they will simply rebate it back to the customer. They are just trying to make economic development as efficient and cost effective as possible for businesses that want to expand and locate here and it is paramount to our purposes, so we are looking for ways to do that. One way we can do that is to waive our fees. Mr. Lawler stated he is a little confused how, if he heard correctly, is it your position that someone has to take a fee. Ms. DiDomenico stated as an attorney, she is drawing from her experience and her feelings and asking questions. If she had known this a week ago she might have had the opportunity to ask Mr. Toohey these questions and be prepared to know what our legal right is. Legally, you may be able to do what you want to do, but do we have the right to enter into a contract. If the other side of the coin is you are not allowed to give away your services because you are governed by some Public Authority statute, we cannot enter into a contract with an entity that doesn't have the legal right to do that, it is a non-binding contract. She is putting it out there for questions to be answered. Mr. Vanags stated he is pretty sure there are dozens, if not a couple hundred, economic development organizations organized the same way we are throughout the State of New York that help companies expand and locate without taking any fee.

Ms. Daly stated that they are working feverishly as they have been charged by the Saratoga County Board of Supervisors to improve the economic development efforts throughout the County. If we can do so by saving businesses money, she believes there is a way that is available. We have hundreds of services available throughout the County that our taxpayers are not paying for. She believes that is their mission and their goal. The County Board of Supervisors asked them to perform this duty and they are

trying to fulfill that commitment. Chairman Sutton stated the taxpayers are not paying this fee, the applicant is paying the fee. Ms. Daly stated the taxpayers are ultimately paying a fee at the end of the day. The taxpayers of Saratoga County pay taxes, school taxes, property taxes. They do want to see the economic development in this County conducive to growth whether it is an existing business or a new business. If there is an opportunity for businesses to locate here and have it be another tool in our toolbox such as a no fee required to do business here, they are going to be supporting that. Chairman Sutton stated he doesn't disagree with any of that, but it just seems that the history of economic development so far in the County has been a pretty good success story. He further stated why hasn't Saratoga Prosperity Partnership and SEDC sat down and hammered out an agreement, so that both parties, the private sector and the public sector in unison, can go out and enjoy the fruits of economic development that we've seen in the past 40 years in Saratoga County. The PILOT programs that we offer, usually about 5 years, we put people back on the tax rolls in a very short period of time. Ms. Daly stated that change is not always easy. The Board of Supervisors recognized that a long time ago. You have been very successful. We have had some bumps in the road you have identified. We recently lost some business, we lost Dollar General. Chairman Sutton questioned how Prosperity would have changed that. Ms. Daly stated she could not comment as they were not involved with Dollar General. In going forward, the only constant is change. We are looking to find some new opportunities, some new tools. With regards to why haven't we worked out a partnership with SEDC, she is going to defer to the Chairman who has been more involved in that process than she. Mr. Mooney stated really what this is about is the referrals from the IDA to a specific agency. The County has spent a lot of money developing the Prosperity Partnership, we are a County agency as well, and that is the direction they clearly want to go in. They don't want to put the SEDC out of business, but when someone calls Mike Valentine for a referral, they want one contact to be the Prosperity Partnership which fits into our mission well. Mr. Toohey stated he understood the dollars coming out, you guys can make that decision. What the Chair just told us is that the phrase economic development services, the IDA hereby engages Prosperity Partners on an exclusive basis to provide economic development services. Mr. Mooney stated he thinks he was clear with what he said related to Marketing and I believe that it is referred to the referral from the IDA. Mr. Toohey stated that isn't Marketing, that is a referral. They are two different things. There are two other sections that were chopped out of our agreement. The first one had to do with the referrals which is exclusive and referrals seem to be the same thing. They are saying they don't want to be exclusive, but all referrals only can go to them. He does not understand that. You've got to make that decision.

They also took out section 4, acceptance of project applications which says we can accept applications from anybody who brings one in that is qualified to bring one in. They have asked to have that eliminated from the agreement. So it is not merely that they are saying that they will eliminate the fee, which is a determination on their part that we can review, it is the other two sections that he sent in his memo of March 11<sup>th</sup>. Ms. Hynes-Walsh questioned if we are taking out the fees and we are taking out the referral language, she totally appreciates the fact that the County and County Board of Supervisors wants to create Prosperity Partnership. She thinks it is a great idea. She doesn't know at that point, if we've taken those pieces out, why does there even need to be an agreement with the IDA if the County has a services agreement with Prosperity Partnership, why does the IDA even have to get involved in that at all. Go forth and promote the County and promote it to businesses that could be coming in. You are not going to be paid for it and if you don't have to have the referral, why does that affect us at all. Mr. Lawler stated the equally important issue for them is the Marketing. For example, someone looks at the IDA website, where are they directed. We have put together and we have executed a contract with Luther Forest Technology Corporation to market the park. We are trying to put a single face on economic development. It is efficient and cost effective and it also enables us to take the IDA to a

higher market involvement. To do that, we need to have some assurances that the business that we hopefully generate, will flow to the Partnership. That is why we are asking that the referrals coming in would be directed to the Partnership and let the Partnership have the right to promote the IDA and be promoted by the IDA. In further consideration, not charging businesses a fee to do business in Saratoga County, he is not sure how that is a bad idea. We are looking for the referrals, we are looking for the right to co-brand that might be the better word, Saratoga County economic development efforts under the auspices of the Partnership. Mr. Lawler asked if that helped. Ms. Hynes-Walsh stated that it does in a sense that the referral section that was cut out of the most recent agreement that we were given, that would need to be put back in. Mr. Lawler stated he wanted to make their intentions clear which is to represent themselves and promote relationships, not to preclude any other relationships with the IDA. To enable us to take the entire Saratoga County outward looking economic development message, presented in a unified fashion and to bring all the leverage and assets of the Partnership to promote that on a broad scale.

Mr. Rockwood questioned when we talked about trying to be inclusive with SEDC so we can have this one organization potentially. In your Economic Development Services and Marketing Agreement from July 14<sup>th</sup>, the second Whereas says "in accordance with the recommendations made in the Saratoga County Economic Development Strategic Plan, the Board determined pursuant to Resolution 86-2014 to form a local development corporation under which economic development entities in Saratoga County could be united in a true economic development partnership". How do you put those two together? You don't have an agreement, you are the only one in the County today? Mr. Lawler stated there are many more economic development engines and the Partnership has met with just about everyone in Saratoga County. It has a representation of all of those. His frustration of being on the economic development committee when he first started, was who are they and who does it. If the roles were reversed here and Saratoga County had a face on their website that says when you come to Saratoga County here is where you go for economic development. Then another agency comes in and says were are going to do that too. You referred them to someone, and they say what this other organization is? He is looking at it as that is what is missing in Saratoga County. Who is responsible for economic development in the County? That boils down to the Board of Supervisors. Chairman Sutton questioned Mr. Ferguson and Mr. Valentine about how many referrals are presented in the course of a year. Mr. Ferguson stated he has been in this position since May and he has had two independent phone calls that have come in and both of those have been referred to both economic development entities. Chairman Sutton questioned if there was any feedback or confusion. Mr. Ferguson stated no. Mr. Valentine stated nobody has really said I don't understand that or the why. Mr. Carminucci stated every once in a while he gets calls, and he did speak to Mr. Ferguson recently, someone reached out to him and basically were trying to figure out what to do as they were a little confused, so I sent them to Mr. Ferguson. Chairman Sutton stated he could see where the confusion might come in where what qualifies for tax abatement in our jurisdiction because we are restricted, there are certain businesses that we don't acknowledge.

Mr. Sutton had a question for Mr. Vanags and Mr. Brobston. In the past year, you have been marketing to what types of businesses? What businesses are you trying to attract to Prosperity Partnership and what is your process. Mr. Vanags stated there are two areas of groups of people that he has been talking to about Saratoga County. Semi-conductor, suppliers related to the semi-conductor industry, talking to them about Saratoga County, existing suppliers that could possibly create a bigger footprint here or new suppliers. The other group is site selectors. Site selectors are a very specialized industry of people that are hired by corporate America to go out and find locations for the people that have hired them. Economic Developers need to have a relationship with those site selectors. Those are the two groups that we have been talking to. From an outsider's perspective, someone new to the State of New



York, the idea of an IDA, a separate entity or Board that is local and provides incentives through a PILOT is different than most states. Most states, it's a decision of the local tax body. A company, unless they do a lot of work in New York State, and have been through that experience before, wouldn't know to call the IDA directly. They are looking for the economic development organization that is going to guide them through the process. It is not like hiring a lawyer or some other service. They just want to know who to work with. Mr. Brobston stated he would disagree with that. People make their own decisions about attorneys, accountants, doctors, etc. Mr. Vanags stated they do, but not economic development organizations. They want to know who the local authority is that they have to work with. Because there are very few communities in this country that have two competing economic development organizations in their community. Mr. Brobston stated that is like saying who do I have to get my cell phone from. If you watch any TV at all, within a half hour you are getting bombarded with 17 different commercials for four different phone companies. Somebody has to make a pick. If there is only one, that would be a monopoly, that wouldn't be a very good thing either. Mr. Vanags stated he doesn't know any communities that have the situation we have here. You usually go the County who is the economic development group. Chairman Sutton stated he thought most counties would be really envious of this discussion that we are having today because we have good economic development, other people are struggling. This discussion is good because we are a very progressive county. I think we have to start putting our heads together. Chairman Sutton asked Mr. Brobston to discuss the same question asked of Mr. Vanags. Mr. Brobston stated over the past 18 years that we have been involved with semi-conductor we have been marketing to that industry as well as the supply chain which is included in that industry. We work with a direct company for a contact we have made over the years, and we also do a few site selectors as well. We do have site selectors for manufacturing and also warehouse distribution. The delivery is supposed to be seamless, what Mr. Vanags is talking about, is supposed to be seamless. Project management is what we do very well. Something he has noticed in the last year since this has occurred, we are being called on certain projects, before we enter into a non-disclosure agreement for confidentiality purposes with that client, and they are asking us what we are. Their questions revolve around if we are a private entity or are we a public entity? Who is on our Board? Things of that nature. We have had a few calls like that recently. Dollar General was one of those. They were brought to us by a local realtor who came to us and was very concerned about not getting out in the public not too far ahead of the project and that is how we sort of got into that. We were interviewed by them over the course of a 15 minute phone call about how we were set up and the way we were created. The one thing we don't do as well as we used to be there aren't many companies looking for corporate headquarters in the Northeast. That one we are trying to work a little harder on.

Chairman Sutton asked if there were any other questions from the Board. Mr. Valentine offered a comment on the issue of the fees and the waiver of fees. It does sound very enticing just to say we are not going to do any fees. The IDA has gone through an administrative audit through the Comptroller's Office. Just prior to that we had an ABO opinion which stated that we could no longer offer loans and grants. In the same effect that you guys have State authorization as a Partnership so does the IDA have that overview by the State? It does have to be looked at. Whether it is through an agreement with a separate entity or whether it is through the agreements we have with companies. Aside from loans and grants, we can't even dispose of our own property without having a fair market appraisal. That does have to be looked at. Mr. Carminucci stated he would like to try to address Ms. DiDomenico's question. The Partnership is formed under the not-for-profit laws, a local development corporation. The restrictions that are applicable to you, particularly the loans and grants, does not apply to that entity. Not everything that you are subject to the SCPP is subject to. He has at least one client that is similarly formed and they would be able to do what they are proposing to do and not necessarily charge for it. Ms. DiDomenico questioned even though as Mr. Lawler stated, they are governed by the Public

Authorities law. Mr. Carminucci stated they are formed under the not-for-profit corporation law as a local development corporation, they are subject to provisions of the Public Authorities Act as are you, but they are not directly formed under the public authorities' law, it is a different type of entity. Ms. DiDomenico stated she had two more questions. Her first question was directed to Mr. Toohey, can we legally enter into a contract with the word exclusive in it? Mr. Toohey stated he has not been able to find anything that says we cannot do that. Ms. DiDomenico questioned are we required to put anything out to bid? Mr. Toohey stated if we are going to have two entities that are going to provide us services, he believes both under our policy and the general municipal law we are charged with looking at them as a, this is the wrong word, but it's the right concept, a request for proposal. The entities that are being proposed are offering us similar services, we have our own policies for that and he would suggest that as we discuss this further seeing there is no resolution or there may be a resolution, the Boards can make that determination, that we may have to revolve this back into putting together a request for proposals and then judge it off of that. Or we can say that we will enter into the agreements that they wish to have us enter into as independent agreements and let the buyer make a determination as to what those are. For example, the easiest one so far is that Prosperity Partners is not going to charge you a fee for the services that they are going to render. He has not heard from SEDC what their position on that is, nor would he expect to, this was last minute.

Ms. DiDomenico then questioned can we enter into a three year contract, are we allowed to have that sort of term and not have it on a year to year basis. There is no term on the original SEDC contract. Mr. Toohey stated the one that we had sent out to Prosperity Partnership said it was a two year and that was one of things that was taken out of their draft. Chairman Sutton asked if there were any other comments or thoughts from the members. Mr. Klein stated he thought the changes were well accepted. He thinks the cost reduction and with the elimination of the fee and the clarification of the marketing effort. As with anything, he doesn't think there is anybody in the room that would go ahead and possibly enter into a contract without getting a lot more details. That is something Mr. Toohey would have to look at and based upon the feedback that we got, so as to possibly move forward. Mr. Toohey stated the two points that he is still not clear on would have to be clarified by a contract that you are offering. Is the inclusion or exclusion of the word exclusive in section one because that has implications throughout the entire agreement. Then, in the agreement that we had drafted, section three, the IDA referrals whether or not that stays in or goes out and section four, acceptance of project applications, in your agreement by the use of the word exclusive it was clearly written so that we cannot accept project applications and we have to exclusively give referrals to Prosperity Partners. Mr. Lawler questioned which version of the contract Mr. Toohey looking at. Mr. Toohey stated the only version of the contract we ever offered which is the one that went back in September and if you compare the one that came in on the 10<sup>th</sup> of March to us that we acted on three days later to get us where we are today. Then between those two agreements, do a paragraph by paragraph comparison, as to the things that are taken out because by the inclusion of the word exclusive within your agreement, the other exclusions from our contract became very logical. If we are exclusive these other things don't pertain. By taking out the word exclusive, meaning we can deal with whomever we want to, then there are other things within this agreement that should roll back into it. So again, he wants to make sure that for the Board's purposes, we understand that we don't want to be exclusive and what that really means. As Mr. Klein stated, we need a new contract. Mr. Lawler stated just so they are clear what our intention is and what we will try to enumerate in the contract, that we be exclusive in terms of marketing efforts and coordination of websites. We think that critically important so that from an outward view of Saratoga County it is very easy for an organization to have a clear path how to move forward. That is one thing that is very important to them. The second thing would be referrals that would be made directly to the IDA would be referred to the Partnership. They think that is consistent with what the Board of

Supervisors is trying to make a cohesive, efficient, user friendly economic development effort. Our opinion is that that is most efficient and from the business and applicant's perspective, cost effective not only in terms of there will be no fees. Also, to make that process of working with the economic development entity in Saratoga County as clear and concise and cost effective, we are not buying cell phones here, we are trying to present an image to large corporations, small corporations, anyone who is interested in doing business here, that it is easy to do business here, that the path is clear, that the resources are there and the resources are very professionally delivered. Those are the two things that are critical to us. No business should have to pay fees to do business with the IDA. Chairman Sutton stated that was not in the contract sent back to us 10 days ago. Mr. Lawler stated he thinks there was some confusion as to the wording, but he is answering Mr. Toohey's question. Chairman Sutton stated he understood that, but the contract you sent back did not exclude the fees. How long would it take you to go back and revisit your contract and send us a new proposal. Mr. Lawler stated a week. Chairman Sutton asked when our next board meeting was. Mr. Valentine stated the second Monday of April. Ms. DiDomenico asked Mr. Sutton if she could ask another question. Is Mr. Brobston relying upon your existing SEDC contract with us from 1985? Is there an opportunity for them to present a proposal or do we have to go out to RFP's? Because, if he is relying upon this 30 year old contract, maybe he wants to make changes. Mr. Brobston stated that the only changes they were aware of within the last year that we would ask for was the IDA had changed the fee structure, the maximum you could receive and that was something that we were expected to be part of. There has been talk throughout the years of redoing the contract, making it on a 3 year period. We have always been open to that. We've never had a problem with those discussions. It just has never come to fruition. Ms. DiDomenico thanked Mr. Brobston. Mr. Brobston further stated to Chairman Sutton that they hear a lot about how long we have been doing business together and things of that nature. We've done a very good job, you pay us for that when we do an application. Over 300 businesses are members of SEDC because of that, because we do such a good job and they believe in our efforts. He further stated that it would be distressing to them that an exclusive referral would be given to an organization that is not very old, does not have very much of a track record. He does not doubt the professionalism in the work that they have and can do. He would just say that would distress us. They are willing to work with the IDA in whatever capacity you see fit. He will go back to his Board and explain what has happened today and we will look forward to moving forward. We still have projects in the pipeline. He also stated that there is one thing in that 1985 contract, there has always been a clause in there that there was a 30 day out. If for any reason we did not do our job and we weren't thought of well, you could have very easily gotten out of the contract. Or, if we were treated poorly, we could get out of the contract. That has never been the issue. Mr. Brobston thanked the Board members for the opportunity in this process to go forward.

Chairman Sutton asked if there were any other thoughts or questions. Mr. Valentine discussed what dates would be available for the next meeting. Chairman Sutton stated we are asking the Prosperity Partnership to look at the contract, re-visit the contract and send us a draft of what your intentions are going to be. Chairman Sutton asked Mr. Brobston if he would want to propose a revised agreement with his board. He thinks the cards are on the table as to what everyone wants to do here. Mr. Klein asked if it was possible, just because of the timing, if Prosperity and/or SEDC want to submit new contracts, maybe we could get them within 10 or 14 days and then have another 10 days or so to review the contracts. Chairman Sutton stated he did not want to commit the Board to the actual monthly meeting for this particular topic. He does think we need to take a look at the draft, and to Mr. Klein's point, he agrees totally. This is an extremely important document that we are going to sign for economic development in Saratoga County. We don't take this lightly. In the meantime, keep the applications coming. Chairman Sutton asked for a motion to table the agreements that are before us today. Mr. Valentine stated this is a workshop so there is no resolution. Chairman Sutton stated that is

correct, this is a workshop. Chairman Sutton thanked everyone for coming. The workshop meeting concluded at 9:30 a.m.

Respectfully submitted,

Lori A. Eddy