

Otsego Now

2023 Annual Report



Otsego Now: the vibrant force that inspires progress in economic development in Otsego County and to foster opportunity for people to create meaningful lives for themselves and family.

November 2023

Message from the CEO

I would first like to thank the Otsego County Board of Supervisors for their continued support of our office and efforts. At the end of 2022, they appropriated \$200,000 of their ARPA funds for our agency and this year, they raised our annual appropriation from \$75,000 to \$200,000. Thank you and



we will continue to provide services for our business community that you will be proud of.

I would also like to thank my Board of Directors for their loyalty and support. Board members have provided direct help on many of our projects, provided meaningful wisdom and recommended direction, and have prudently recommended placing some \$450,000 of our cash into certificates of deposits raising our CDs to a total of \$811,883.

We continue to work with our business community on truly worthy projects such as Ioxus' expansion, ASATI new building addition, Advanced Bio-Tech's expansion, Apple Converting manufacturing expansion and now Pathfinder Village new building expansion.

Finally, during 2023 we launched our Innovation/Acceleration Center with the help of Custom Electronic, Ioxus, Hartwick College, SUNY Oneonta, and the NYS Small Business Development Center. Thank you all.

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2023 Board of Directors



CHERYL ROBINSON, CHAIR



DAVID ROWLEY, V. CHAIR



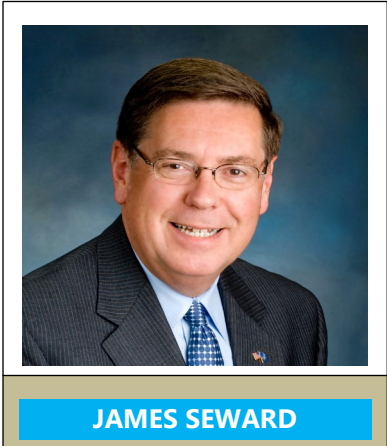
THOMAS ARMAO, SEC.



JEFF JOYNER*



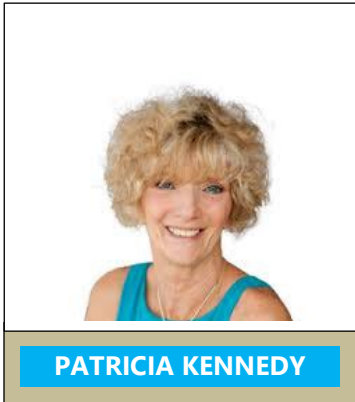
JEFF LORD, TREASURER



JAMES SEWARD



ANDREW MARIETTA



PATRICIA KENNEDY



CRAIG GELBSMAN, SEC.

*Jeff Joyner resigned in May 2023.

Otsego Now

Otsego Now is the umbrella organization for several economic development entities serving Otsego County and includes the Otsego County Industrial Development Agency, the Otsego County Capital Resource Corporation, and the Oneonta Railyard Local Development Corporation.

It is a nine-member Board appointed by the Otsego County legislature which governs each agency.

The Agency's auditors are Mostert, Manzanero, and Scott of Oneonta, New York.

The Agency's bond counsel is Mr. A. Joseph Scott of Hodgson Russ, Albany, New York and its general counsel is Mr. Kurt Schulte of Oneonta, New York.



OTSEGO **now**

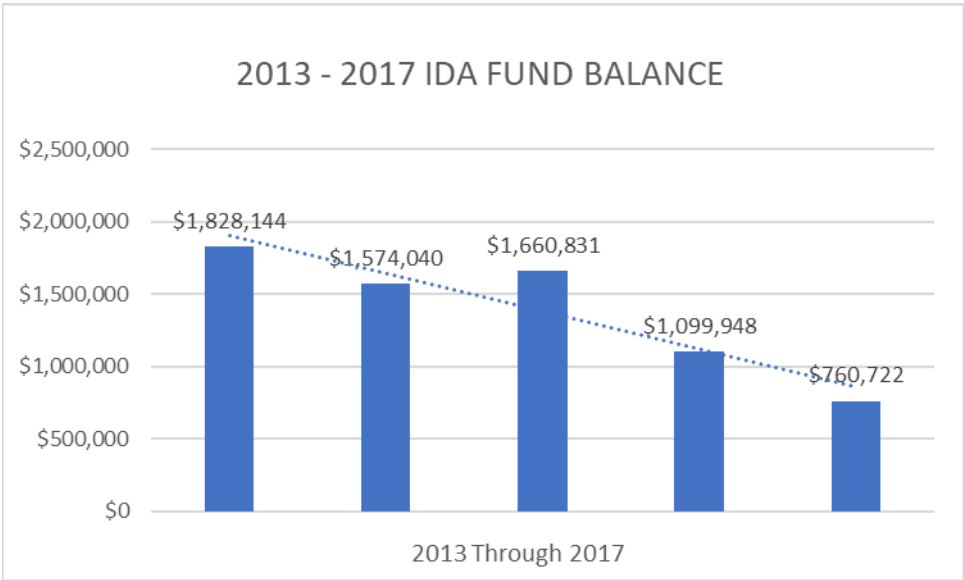
HUB FOR ECONOMIC PROGRESS

Otsego Now provides through the IDA the following business incentives and support programs:

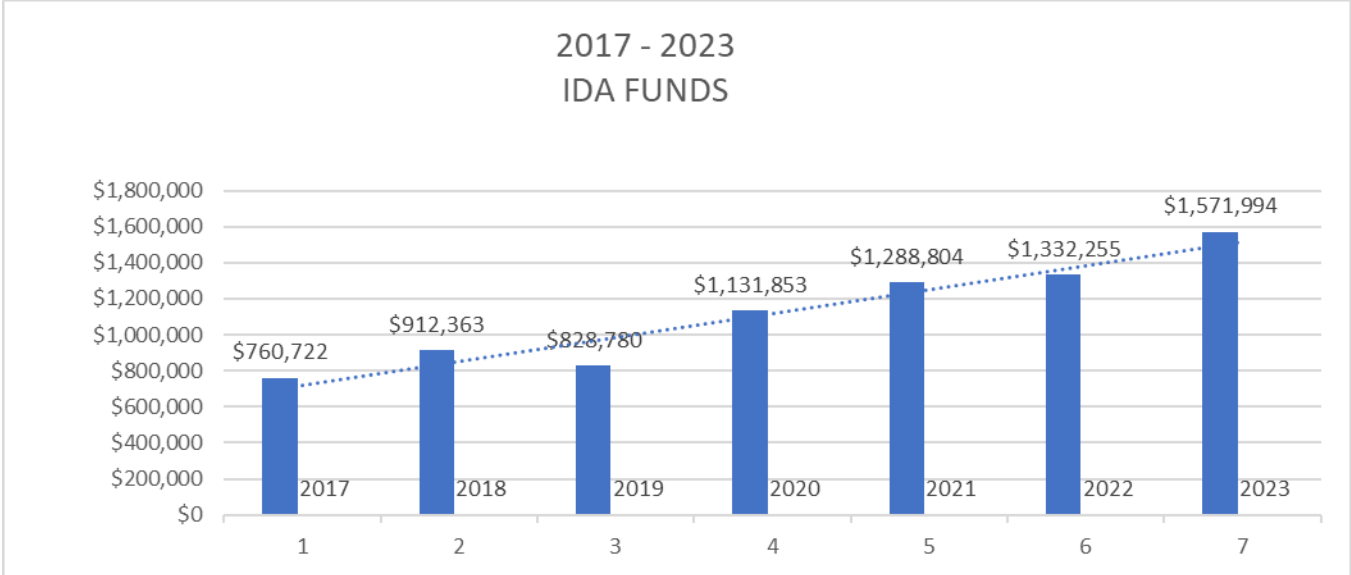
- Sales Tax Exemptions for manufacturing companies
- Exemptions from real property mortgaging recording fees
- Abatement of real property taxes through payment-in-lieu-of-tax agreements (PILOTs)
- Grant application assistance for capital projects
- Grant application assistance for job creation
- Company specific and general workforce readiness training
- Tax-exempt bond financing for manufacturing expansion
- Tax-exempt bond financing through our Capital Resource Corporation for not-for-profits (i.e. colleges, universities and hospitals) building expansion and acquisition.

OTSEGO NOW'S FINANCIAL CONDITION

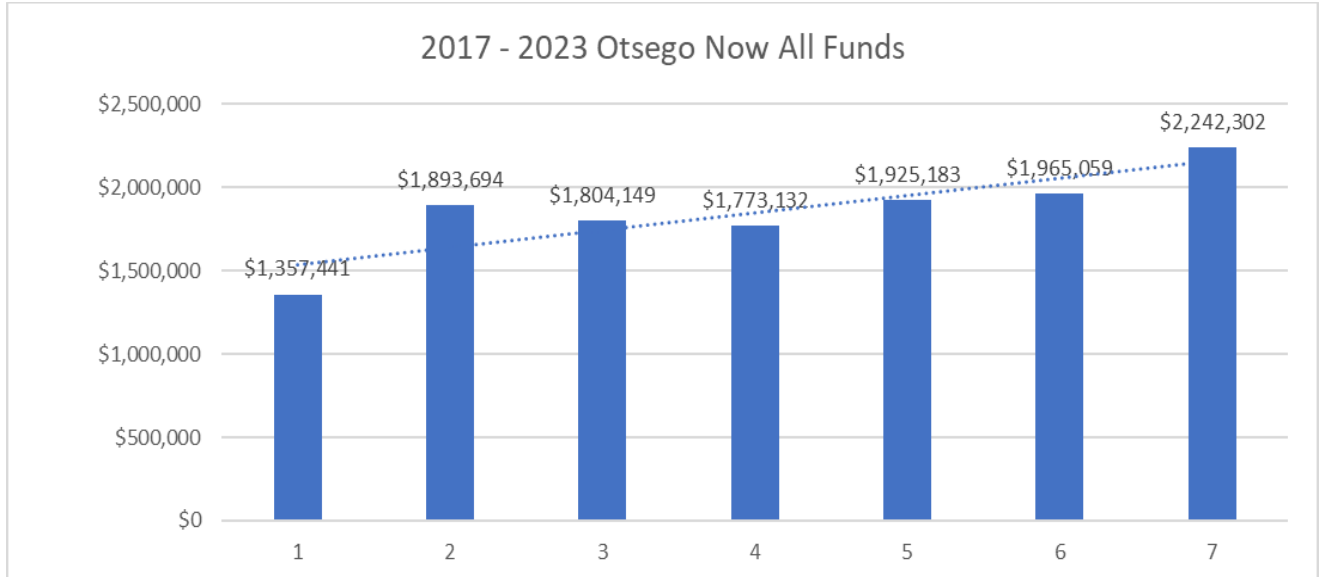
In 2013, the IDA had \$1.8 million in checking, CD's, and Money Market Accounts. Over the next four years, that number dropped to \$760,722.



The County of Otsego's Industrial Development Agency has seen an increase in funds from \$760,722 in 2017 to \$1,571,994 in 2023 - a 200% increase in funds over 6 years.



When factoring in the County of Otsego’s Capital Resource Corporations funds, Otsego Now has over \$2.247 million dollars in various accounts.



During 2023, the County appropriation to the IDA was increased by \$200,000 using the American Rescue Plan Act (ARPA) Funds. This significantly had a positive effect on Otsego Now’s cash flow.

In addition, during 2023, two previously approved Pilot Agreements with Advanced Biotech and ZAED Properties, LLC, had increased costs and renegotiated their Pilot Agreements. The result was an additional \$123,715 in revenue for Otsego Now.

Finally, another previously approved Pilot in 2020 was for the Hampton Inn in Hartwick. Due to COVID 19, this project was postponed and was finally approved by Otsego Now in 2023 resulting in an additional \$205,000 in revenues.

Total increase in one-time revenues for Otsego Now in 2023 was \$528,715.



\$200,000



\$99,780



\$23,935



\$205,000

During the 2024 Budget Process, Otsego Now had requested the appropriation from the County of Otsego be increased from \$75,000 to \$200,000 for fiscal year 2024. The County of Otsego did increase their annual appropriation to our agency to \$200,000 for fiscal year 2024.

This will allow Otsego Now to not rely on special projects to balance its budget using those funds, instead, to do capital projects.

OTSEGO NOW 2023 ACTIVITIES



OTSEGO **now**
HUB FOR ECONOMIC PROGRESS

Advanced Biotech of New Jersey Invests \$14 Million to Expand Operations in Otsego County – Expected to Be Completed at the end of 2023.



Advanced Biotech, is a Leader in Natural Flavor and Fragrance Ingredients including Extracts, Essential Oils & Isolates, Oleosins, Natural Aromatics, Natural

Pyrazines, Synthetic Aromatics, Thiazoles, Heterocyclics, Pyrazines, & Sulfur, Absolutes, Distillates, Vanilla Extracts, Koolada Cooling Agents, EU Natural Products, Food Flavoring, Flavor Extracts, Oil Flavoring, Essential Oil flavors, and Fragrance Oils.

The company recently purchased the former Medical Coaches manufacturing facility in Milford, an 87,348 square foot facility.

The Otsego County IDA provided both sales tax exemptions and a Pilot Agreement for the new company.



The company will be initially using the building for warehousing and start with six employees. They will be investing some \$2 million in new equipment.

Eventually, some of its manufacturing products line will be moved to Milford and employment is expected to grow by another 20 positions.



Springbrook Receives IDA Benefits to Purchase and Renovate the Historic Ford Block Building in Downtown Oneonta for Residential Use. Expected completion 2024.

Springbrook, an organization that provides support for the developmentally disabled, has purchased the Ford Block building on 212 Main St. in Oneonta for the purpose of providing housing for young professionals.

The project will include renovations of the upper two stories of the building, with 22 to 24 market-rate residential one- and two-bedroom apartments.

The project is estimated to cost about \$6.6 million.

The IDA provided exemptions from mortgage recording fees and sales tax.



In addition, the IDA also provided a 25-year payment-in-lieu-of-tax agreement. The 25-year agreement was needed for the prime lenders to participate. The Pilot Agreement, however, only applies to the upper

floors being renovated for housing. The entire first floor commercial space will remain on the tax rolls and be fully taxable.

IDA Closes Out Several Grant Programs

During 2021, the IDA is in the process of closing out several grant programs it has received or administers:



Otsego Now successfully completed the County of Otsego's micro-enterprise grant program. \$186,000 in grants were awarded to 9 businesses throughout the County.



NYS Empire State Development reimbursed the County IDA \$146,407 for successfully completing the Oneonta Railyard Study.

New Grants Awarded to Otsego Now



1. Second Micro-Enterprise



Otsego Now applied and was awarded on behalf of the County another \$300,000 in CDBG funding to continue a second round of micro-enterprise grants to small businesses throughout the county. - The following micro-Enterprise grants were awarded by the County:

1. 25 Main Collective and Café, Cherry Valley, NY (\$35,000)
2. Captn Cook's Seafood Market, Oneonta, NY (\$22,800)
3. The Local Bird, Cooperstown, NY (\$11,700)
4. Nectar Hills Farm, Schenevus, NY (\$33,600)
5. Red Barn Farm Brewery & Kountry Kitchen, Otego, NY (\$35,000)
6. Sleeping Lion Farm, Springfield Center, NY (\$35,000)
7. Spurbeck's Grocery, Cooperstown, NY (\$11,700)
8. The Chief, Schenevus, NY (\$35,000)
9. TECHKnowledge, Oneonta, NY (\$35,000)

2. \$500,000 Appalachian Commission Grant for Richfield Springs Eco-Business Park.

DEVELOPMENT PLANS
OTSEGO COUNTY IDA
RICHFIELD SPRINGS ECO-INDUSTRIAL BUSINESS PARK
ROAD AND UTILITY EXTENSION
 EDA PROJECT NUMBER - 01-01-14979


COUNTY OF OTSEGO TOWN OF RICHFIELD STATE OF NEW YORK

APPLICANT/DEVELOPER:
 COUNTY OF OTSEGO INDUSTRIAL
 DEVELOPMENT AGENCY
 189 MAIN STREET, SUITE 500
 ONEONTA, NEW YORK 13820

INDEX OF DRAWINGS

SHEET	TITLE
C313	EXISTING SITE CONDITIONS
C323	MASTER PLAN
C103	ACCESS ROAD PLAN & PROFILE
C113	ACCESS ROAD CROSS SECTIONS
C123	N.Y.S. ROUTE 20 WATERMAIN EXTENSION
C133	OFF SITE UTILITIES PLAN & PROFILE
C143	OFF SITE UTILITIES PLAN & PROFILE
C153	EROSION & SEDIMENT CONTROL PLAN
C163	EROSION & SEDIMENT CONTROL PLAN
C173	STORMWATER MANAGEMENT PLAN
C203	SANITARY DETAILS
C213	WATER DETAILS
C223	EROSION & SEDIMENT CONTROL DETAILS

DRAWINGS PREPARED BY



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 INCORPORATED
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 ALBANY, NY 12205
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 FAX: 518/865-1112
 WWW.KEYSTONEASSOCIATES.COM

PROJECT NO. 0552042-1
 FEBRUARY 9, 2007

Richfield Springs Industrial Park

Otsego Now continues to work on the installation of water, sewer, and natural gas to the proposed Richfield Spring Eco-Business Park. Keystone Associates Engineers finalized design and construction bidding documents and the project was bid out in the spring of 2023 with construction slated for 2024.

Anjo Construction of Lathem NY was selected as the prime contractor. HUNT Engineering was also selected to provide construction management services for the project.

HUNT Engineering was selected as the construction manager for the IDA.

As part of the approval process for NYS DEC, a new wetland delineation map was developed.



Otsego Now Teams Up with Ramboll Engineers, a Global Engineering, Architecture and Consultancy Company founded in Denmark in 1945.



Otsego Now and Ramboll Working to Install Community Geo-Thermal Heat Pump System Around Oneonta Railyards

1. On-site power plant location

Both Scenario 1 (ground source heat pump with boreholes) and Scenario 2 (ambient loop) require an on-site power plant for centralized systems. Ramboll Engineers reviewed the map prepared by the MRB Group and suggests putting the power plant in between building C and D, and the boreholes under parking lot P3.

The two-area circled has enough space based on the estimated SF of the borehole thermal energy storage (BTES) and the power plant. Ramboll Engineers would like to put them close to building D since building D has rejected heat that can be used as the heat source of the centralized system.

2. Adding one scenario using wastewater treatment plant (WWTP) as the heat source.

The plant will have centralized systems that generate high temperature hot water (HTHW) and deliver to the buildings on sites. Since the HTHW network will also run passing the Railyards, and Railyards has a heating load that is relatively

small so there will still be enough of heat for other sites, we think it also makes sense to add one scenario to Railyards that uses WWTP.

Here's the description of the new scenario:

Sc4 – Wastewater Treatment Plant

The wastewater treatment plant will have a central Heat Pump at/near the plant that generates high temperature hot water. For space heating and domestic hot water, Railyards will have individual heat exchangers at building level and extracted heat from the high temperature hot water network. Cooling will be using decentralized air source chiller at each building.

Otsego Now, on Behalf of the Town of Oneonta, is Administering CDBG Funds for Ioxus' Planned Production Line



Otsego Now grant request is in the amount of \$750,000 was approved by NYS DHCR and would allow the retainage of 18 jobs and the addition of 31 new jobs.

At the end of 2023, 18 jobs were retained, and 10 new jobs created.

Ioxus plans on manufacturing the new Titan8 Series Lithium Titanate Oxide (LT) series which uses a cell that is designed to maximize capacity and deep cycling abilities. They have double the amount of storage energy but only half of the instant discharge energy. This gives it double the capacity rating, but half of the wattage rating.



Otsego Now entered into a lease agreement with Apple Converting which is looking to expand its printing operations. Apple Converting will lease a 19,000 square foot building at 139 Commerce Drive in the Oneonta Business Park.

The Company will purchase the following new equipment:

- **New 8 color printing press ~\$3.0mm**
- **3 custom in-house designed laminators ~\$300-400k**
- **3 new slitter rewinders ~\$350-400k**

The Facility:

- **139 Commerce Rd, 19,200 SQF, ~\$725k (purchase price)**
- **Modifications ~\$200-300k**
- **GMP Compliant**
- **Loading docs**

The company was established in 1980 and currently has 30 employees. They provide packaging for pharmaceuticals, medical devices, confectionery, food and industrial users. They expect to add another 10 workers over the next three years.



**OTSEGO NOW
APPROVES PILOT
AGREEMENT, SALES
TAX EXEMPTION
FOR SECOND TIME
FOR THE HAMPTON
INN.**

During 2020, the IDA was negotiating with the Skyline Hospitalities for the building of a 60,000 square foot building, 4 stories, with 96 rooms to be built in the Town of Harwick. The project was put on hold due to financial issues during the height of COVID-19.

In 2023, the IDA once again took up the project and approved an exemption from mortgage recording tax, sales tax exemptions, and a 10 year Payment-in-Lieu of Tax Agreement based on 485B of the NYS Tax Code.

Constructon is expected to begin in Spring 2024 and estimated construction costs are \$20,500.000.



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ASATI EXPANSION

Air Structures American Technologies, Inc.



Otsego Now assisted ASATI in applying for a \$100,000 NYS Empire State Development Grant which was approved in December 2022.

ASATI started construction in 2023 on a 30,000 square foot expansion.

As a result of the expansion, 12 new jobs will be created.

According to the owner, Donato Fraioli, they “are basically 99% done and just doing punchlist items now. I can’t tell you how great you (Otsego Now) have been of a support in getting this done. It’s going to be a major asset to our company and growth of jobs.”

A second expansion is planned involving the purchase of new equipment.

CNYBJ

The Central New York Business Journal

OTSEGO INNOVATION AND ACCELERATION CENTER OPENS IN ONEONTA

By Traci DeLore (tdelore@cnybj.com)



Date: 3/16/2023 11:28 PM

The Otsego Innovation and Acceleration Center, which opened in February, helps small businesses and entrepreneurs grow their ideas and their businesses in Otsego County. Here, Paul Koch, of New Path Label Applicator, speaks with engineers at Custom Electronics about his product. The center is working with Koch to help him expand his market and gain crucial ties to manufacturing to help expand his inventory. (PHOTO CREDIT: OTSEGO INNOVATION & ACCELERATION CENTER)

ONEONTA, N.Y. — Entrepreneurs and businesses in Otsego County have a new resource available to them now that the Otsego Innovation and Acceleration Center has opened.

Otsego Now, the umbrella organization of Otsego County’s Industrial Development Agency and the Otsego County Capital Resource Corporation, opened the center in February.

“It’s open and ready to work with the community,” Gina Gardner, coordinator of the Otsego Innovation and Acceleration Center, says. “We would like to work with startup businesses looking to expand their marketing reach.”

The center provides an array of services to businesses through Otsego Now, the Small Business Development Center, SUNY Oneonta, and Hartwick College. From manufacturing to medical research, the center can help just about any business, Gardner contends, but notes that center staff want to focus on businesses that are ready to locate in the county and create jobs.

Recognizing it can take a lot to bring a product or business from an idea to reality, the center can provide mentoring, networking, office space in the Otsego Now building at 189 Main St. in Oneonta, marketing, cost analyses, product testing, and manufacturing assistance. Custom Electronics, Inc. and Ioxus are working with the center to offer the product testing and manufacturing help.

“Small businesses provide the country with approximately 85 percent of the intellectual property generated in the country, and helping those businesses start and grow locally will help the area with job growth, workforce training for many years to come,” Chad Hall, Ioxus SVP of sales and operations, said in a press release announcing the center’s opening.

The IDA can offer advice to entrepreneurs on financing options available to them, while mentorship will come from both SUNY Oneonta and Hartwick College.

The center uses an application process to determine which businesses it will work with, Gardner says. Those interested can email info@otsegonow.com for more information.

The idea for the center came in the wake of the COVID-19 pandemic and the significant impact it had on the county's primarily tourism-based economy. "Tourism makes up a huge chunk of business in Otsego County," Gardner says.

During the pandemic, the county lost about 60,000 tourist visits, dropping the county's sales-tax revenue by 30 percent and bed tax by 50 percent.

The IDA recognized manufacturing as a growth sector. In fact, Otsego County only has about 200 manufacturing/technology jobs, Gardner says, and officials want more of those good-paying jobs.

The center hopes to recruit at least 12 businesses or entrepreneurs to work with over the next 18 months, in hopes they will grow and stay in Otsego County. While there is a focus on the manufacturing and tech industry, the center is open to anyone with an idea.





HARTWICK
COLLEGE

est. 1797

HARTWICK INTERN CONTRIBUTES TO BUSINESS

VITALITY IN

REGION

This summer, Victoria Spina '24 joined the Innovation and Acceleration Center at Otsego Now in Oneonta as its marketing intern.

The center, which opened in February, partners with organizations like Ioxus, SUNY Oneonta, Hartwick College, Custom Electronics Inc., and the Small Business Development Center to help small businesses and entrepreneurs launch their ideas and businesses in Otsego County.



Spina, who is pursuing a bachelor's degree with a double major in business and art and a minor in anthropology, has been conducting market research and creating convincing digital content for a manufacturer of an easy-to-use machine to apply adhesive labels in Morris, N.Y.

Under the direction of Innovation Acceleration Center Coordinator Tammy Graves, Spina is discovering the region's business enthusiasts.

"Victoria is playing an integral role in our business services," says Graves. "Otsego Now is delighted to offer this invaluable opportunity to college students who are passionate about a hands-on, immersive experience."

Spina heard about the internship through Aaron Stephens, associate professor of business administration and department chair, whose research inspired the creation of innovative partnerships for Otsego Now.

"Victoria is a unique person here," says Stephens. "She is a top student at Hartwick and should be an excellent marketing person."

Spina is a Faculty Scholar, radio club treasurer, and a new inductee of the Business Honor Society, Sigma Beta Delta. After graduating from Hartwick, her future plans include earning a marketing-focused MBA to advance her prospects in the business realm.

Otsego Now

Continues Digital Marketing Campaigns



OTSEGO
Innovation Acceleration Center

Creating
PATHWAYS
to Success

(607) 267-4010
ext 104



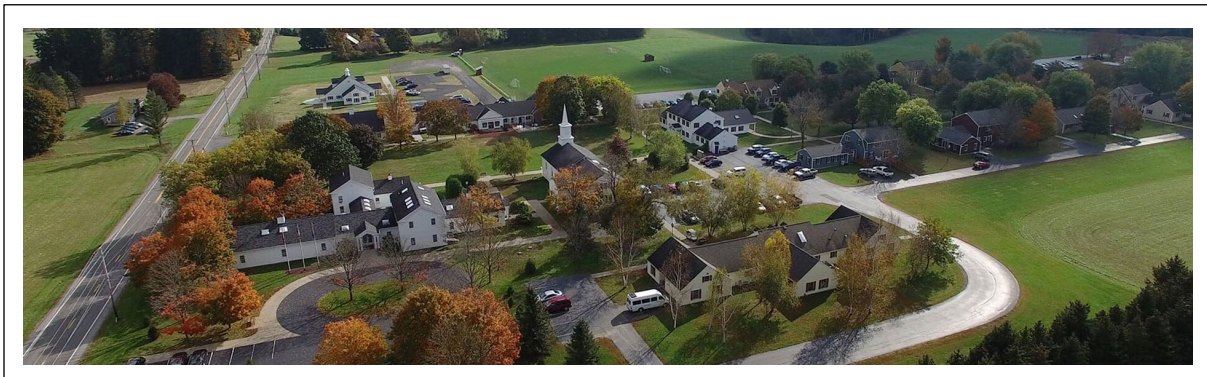
Close the gap
between where you are and where you could be.

Innovation Acceleration Center
IN ONEONTA, NY

We'll Build Your Business Bridges | 607.267.4010 EXT 104 | Schedule An Appointment

PATHFINDER VILLAGE LOOKING TO RENOVATE a historic barn on their 300-acre property to house an employment training and retail center with an agriculture theme. The site will accommodate their employment training progr

am with classroom spaces, relocate their current produce market and expand the operation to a full-time market that will include their mobile market operation and a small commercial kitchen for grab and go lunch items, offer 2 commercial bays for local small businesses, an outdoor patio, and a community room. This will be the only fully integrated commercial/community venue in the county!



Pathfinder Village hopes to break ground in the spring of 2024. They approached Otsego Now to see if our County of Otsego Capital Resource Corporation could provide some \$5.5 million in tax-exempt bond financing for the project.

Pathfinder Village is a community where people who have Down syndrome and other developmental disabilities discover their own value and talents and share these gifts with others.

Agency Staff



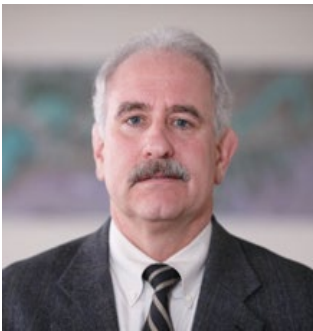
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Agency Counsel



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