

Projects Committee Meeting
July 13th, 2023
8:00 A.M.

**Tom Armao, Chair • James Seward, Vice Chair • Patricia Kennedy • Andrew Marietta •
Jeff Lord • Craig Gelbsman • David Rowley • Cheryl Robinson**

**Jody Zakrevsky, CEO • Meaghan Marino, Director of Finance and Administration
Tammy Graves, Marketing Coordinator • Nasim Vargha, Administrative Assistant •
Victoria Spina, Marketing Intern • Joseph Scott, Bond Counsel •
Kurt Schulte, Agency Counsel**

1. Chairman's Comments
2. Approval of June 8th Projects Committee Minutes
3. Review Director's Report
4. New and Unfinished Business
 - Jobs and Investment Report

**COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY
OTSEGO COUNTY CAPITAL RESOURCE CORPORATION**

**PROJECTS COMMITTEE
June 8th, 2023
MEETING MINUTES**

CALL TO ORDER

The COIDA and OCCRC's joint Projects Committee meeting was called to order at 8:05am at the Otsego Now offices at 189 Main Street in Oneonta, NY. Members present included:

Tom Armao
David Rowley
Andrew Marietta
Patricia Kennedy

James Seward
Jeffrey Lord
Cheryl Robinson

Absent members: Craig Gelbsman, Jeffery Joyner

Also, in attendance:

STAFF

Jody Zakrevsky, **CEO**
Tammy Graves, **Marketing Coordinator**
Nasim Vargha, **Administrative Assistant**
Victoria Spina, **Marketing Intern**

CHAIR'S REMARKS

Projects Chair, T. Armao, moved immediately into the agenda.

MEETING MINUTES

T. Armao requested a motion to approve the May 11th Project Committee meeting minutes. Committee members were given a draft copy of the minutes prior to the meeting for review. There being no corrections to be made, C. Robinson made a motion to approve the meeting minutes. J. Lord seconded the motion, and the motion was approved by remaining board members.

CEO REPORT OF PROJECTS

J. Zakrevsky recapped some of his activities since the May Projects Committee meeting until now. He also provided members with a detailed update of some of the IDA's priority projects. The following topics were discussed in greater detail:

Oneonta Railyards: J. Zakrevsky explained that he met with DEC regarding the permit to clear wetlands and was told that only a SPDES permit would be needed because the clearance is beyond 100 feet.

Richfield Springs: J. Zakrevsky reported that a wetland delineation has been done and he now recommends to not build on one of the lots. The new site plan will only include two of the four lots in order to avoid building near the wetlands. J. Zakrevsky explained that he also sent an indemnification agreement to the Town Supervisor and attorney. The agreement would take responsibility away from the Town in the event that the IDA could not fulfill its obligations with the grant. J. Zakrevsky noted that the Town signing as a co-applicant is the only thing that EDA is waiting for before the release of funds.

Innovation Acceleration Center: T. Graves reported that the IAC currently has five clients that are being assisted in some capacity. She is currently collaborating with the Regional Innovation Council out of SUNY Oneonta to create a searchable business and service database. The database will make it possible for businesses to offer various resources to the community. T. Graves explained that the marketing campaign with Paperkite Creative expires on June 30 2023. She will be meeting with them to discuss how to move forward. C. Robinson asked how the IAC had made initial contact with the five current clients and T. Graves explained that the most recent client was contacted through LinkedIn. The most recent client is a gentleman who wants to produce emergency sleds. C. Robinson suggested that it would be helpful for the board to see a plan for the IAC with year-by-year targets. She also suggested that a detailed business plan be made for each potential client so that the IAC can decide what should be done to assist them. D. Rowley asked what the current physical space capacity is and J. Zakrevsky explained that the second conference room can accommodate 5-6 people. V. Spina then gave a report of her current activities as marketing intern. She explained that she has been doing market research, specifically with New Path Label. She has also reached out to Hartwick College to see if they might be able to offer resources and space for the community.

NEW/UNFINISHED BUSINESS

Second IOXUS Drawdown: J. Zakrevsky explained that he is finishing up the analysis for a second drawdown request for IOXUS. In addition to the 31 retained jobs, they have hired 8 people. N. Vargha will work on compiling the related documents.

PARIS Reports: Of the 18 PARIS reports submitted, one error was found. J. Zakrevsky explained that they considered Corning's second expansion as a separate project that needed to go in a different section of the report.

Letters to Taxing Jurisdictions: After sending letters to the taxing jurisdictions regarding wind and solar projects, two school districts have requested sample resolutions to opt out of Section 487.

City of Oneonta Trail Development: The City of Oneonta has requested to extend a walking trail approximately 500 feet into the Oneonta Rail Yards. J. Zakrevsky recommended entering into a yearly lease with an indemnification agreement so that it can be built. C. Robinson noted that the map showed the trail as a loop and not a connecting path. She expressed concern that it was a lot of money for a short path that people may not use. Two maps were provided, and it was unclear which one was the current plan. J. Seward suggested that they should provide the board with one map and a more detailed proposal. J. Lord added that the proposal should include all of the possible impacts of the project.

ADJOURNMENT

There being no further business to discuss, D. Rowley made a motion to adjourn the Projects Committee meeting at 8:43am.

UPCOMING MEETING SCHEDULE

The next Projects Committee meeting will be held on July 13th, 2023, at 8:00am.

Project Overview

Project Title	Innovation Acceleration Center
Project Category	Business Retention and Expansion
Project Description	Provide location for start-up and entrepreneurs in the advanced electronic industry to grow their businesses.
<p>The Otsego County Innovation Acceleration Center is a public-private partnership of organizations that have been planning this effort for over one year. This partnership brings together local non-profit economic development organizations, higher education institutions, and established private sector companies. They share a common interest in catalyzing the growth of the region's burgeoning advanced electronics industry cluster by locally supporting the success of promising technologies and entrepreneurs. Two partners are co-located and have substantial history of collaboration in supporting business creation and scale-up in Otsego County.</p> <p>Together, the partners have the critical competencies needed to help entrepreneurs bring their innovations to market. A key differentiator for the Otsego County Acceleration Center is the involvement of leading advanced electronics R&D and manufacturing companies that are committed to Otsego County and have a strong track record of investing in early-stage companies with relevant new innovations. The Center will further scale this virtuous growth cycle, resulting in the creation and retention of high-wage jobs in Otsego County's distressed rural communities.</p>	
Primary Objective	<ul style="list-style-type: none"> • Attract New Companies, Inventors and Entrepreneurs Involved in Technology Development • Grow Start Up Business within County
Secondary Objective	Grow Collaboration between SUNY Oneonta, Hartwick, Otsego Now and other community players
Target Completion Date	On-going Estimated Total Investment. \$2 million
Owner	Jody Zakrevsky
Stakeholders	Custom Electronics, Ioxus, NYS Small Business Development Center, Hartwick College and SUNY Oneonta
Status	Launched, in Progress Period #3

Owner	Jody Zakrevsky, Tammy Graves
Other Partners	Custom Electronics, Ioxus, NYS Small Business Development Center, Hartwick College, SUNY Oneonta, NYS Department of State
Objectives	Employment: Create 25 new jobs over 2 years
Revenue – One Time	\$1,450,000
Revenue – Re-Occurring	\$18,000/year (6 businesses, \$250/month)
Business Relationships	Strengthen Ties with Custom Electronics and Ioxus
Community Engagement	SUNY Oneonta and Hartwick and NYS Small Business Development Center

Budget and Funding: Center Operations

Project Expenses	Target Amount	YTD Actual	Grant Funding Amount	YTD Actual
Center Director	\$44,000		\$66,000 – ARC	
Equipment	\$10,000		\$10,000 - ARC	
Supplies	\$23,400		\$23,400 - ARC	
Contractual	\$85,100		\$20,100 - ARC	
Other	\$145,500		\$30,500 - ARC	
TOTALS	\$330,000		\$150,000	

Funding: \$150,000 from ARC; \$55,000 from Otsego Now (marketing); \$62,500 from Ioxus (in-kind); \$62,500 from Custom Electronics (in-kind)

Note: ARC Grant has been awarded.

Budget and Funding: Building Acquisition

Project Expenses	Target Amount	YTD Actual	Grant Funding Amount	YTD Actual
Acquisition of Building	\$1,500,000		\$1,200,000 – USDA \$ 150,000 – IDA \$ 150,000 – NYS ESD	
Closing Costs	\$ 50,000		\$ 40,000 – USDA \$ 5,000 – IDA \$ 5,000 – NYS ESD	
Equipment, Minor Interior	\$ 75,000		\$ 60,000 – USDA \$7,5000 – IDA \$ 7,500 – NYS ESD	
TOTALS	\$1,650,000		\$1,650,000	

Note: USDA Rural Development Grant and NYS ESD Grant are pending.

Grant Management

Grant ID	ARC Contract Number: NY-20735-22
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Grant Amount	\$150,000
Source Agency	Appalachian Regional Commission
Details	for the development of a high-technology Innovation and Acceleration Center to foster a culture of innovation through the creation, sharing, and testing of ideas.
Requirements	ARC funds will support personnel, equipment, supplies, contractual, and other expenses (i.e., marketing and outreach activities).
Expiration Date	3/31/2024

Grant ID	GRANT13619945
Grant Amount	\$1,300,000
Source Agency	USDA

Grant ID	CFA #117698
Grant Amount	\$162,500
Source Agency	NYS ESD

Project Milestones

Project Milestones	Target Start	Target End	Status	Actual Start	Actual End
ARC Application Submitted	9/17/21	9/17/21	Complete	10/4/21	10/4/2021
ARC Application Approved by NYS DOS	12/15/21	2/15/21	Complete	10/4/21	5/25/2022
ARC Application Approved by ARC	7/25/2022	8/5/2022	Application Approved	10/1/22	
USDA Application Submitted	4/19/22	4/19/22	Complete	1/13/22	5/18/2022
USDA Application Approved	10/15/22	10/30/22	Pending Approval by USDA		
ESD Application Submitted	7/19/22	7/29/22	Complete	6/24/22	7/1/2022

ESD Application Approved	10/15/22	11/15/22	Application being reviewed by ESD		ESD Did not award grant
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Timeline describing the proposed tasks to be accomplished and the schedule for implementation of each task.

	Y1 Q1	Y1 Q2	Y1 Q3	Y1 Q4	Y2	Y3	Y4
Acquire building	█						
Recruit and onboard Center Director	█	█					
Install equipment and furnishings, signage, security system, other minor interior		█					
Marketing to attract start-ups		█	█	█	█	█	█
Identify additional advisors		█	█	█			
Select initial start-ups		█	█				
Technical assistance to start-ups			█	█	█	█	█

Activity Log

Date	Activity Details
07/11/2023	David K. – Continued discussion of his business launch. Retained his photography services for manufacturing, business activity for the marketing campaign – eliminate stock photography use
7/11/2023	Microenterprise Applicants – Provided info and materials to two interested small business owners. Promptly answering question about Micro application and program since mid-June
7/11/2023	Marketing – Reviewed marketing campaign proposal with Paperkite. \$25,000
7/10/2023	Networking – Met Cassandra Harrington of Destination Marketing Corp. whatsappstateny.com integrating Otsego Co is Live. Otsego Now is 1 of 10 inaugural Partners. -- WEGOOTSEGO.com for residents to find local events RS Business Park – Attended Planning Board meeting for revised Site Plan
7/10/2023	Networking – Met Gail Glover of Hartwick College. She is the gateway to accessing Hartwick resources. Discussion included resources for podcasting, determining interested faculty and staff for collaboration with Otsego Now and its clients
7/9/2023	Introduced to 3D Vitrual Tours – 360 degree view of rooms. Useful for real estate, renovation – digital file for architects, plumbers, electricians
7/7/2023 and 6/28/2023	New Path Label (Paul and Julie Koch) Finalized MailChimp email promo for the first of 3 target audiences for promotion. Presented MailChimp design to Paul and Julie with team critique and marketing action items assigned to all involved: Tammy, Paul/Julie and Victoria
7/7/2023	Job Posting ad – Created job ad for Business Navigator (full Tammy’s replacement). Promo from Iron String Press (Freeman’s Journal, Hometown Oneonta, Allotstego Microenterprise Funding ad – Coordinated ad created with Meaghan and Victoria
07/3/2023	David K. – Assisted David formulate his timeline to ramp up his business media services and tactics for launching his Technology Education – Maker Classes
06/29/2023	Grant Reporting ARC - Submitted Progress Report #2 to Appalachian Regional Commission for Innovation Acceleration Center Project
06/21/2023	Tool for Market Research – Meeting to learn about subscription to Zoominfo for market research. Expensive - \$15,000/year

06//20/2023	Networking – Toured thINCubator - Ryan Miller from Mohawk Valley CC. Established collaborations.
06//20/2023	Ts Pink / Soap Rocks – Introduction advisement meeting. Bridging business to website designers and free assessments of energy use and applying robotic apparatus into their manufacturing David K. – Introduction advisement meeting after he met with Michelle of Small Bus Devel Ctr.
06/13/2023	York Modern – Announcement of Micrenterprise Fund Program prompted contact from York in Unadilla to inquire about financial assistance for upgrades in accounting software, security, equipment, facility repairs.,
06/13/2023	Marketing – Meeting with Paperkite.
06/09/2023	Incubator / Innovation Center Annual Conference at Binghamton University. Business Incubator NYS.
06/08/2023	Sent Microenterprise press release to media. Published at dailystar.com / coopercrier.com / allotsego.com
	Custom Electronics - an engineer from CE delivered report of New Path Label Applicator for manufacturing at Custom Electronics. Without projection of sales, pending orders, are not pursuing manufacturing integration. Have suggestions for simplifying the design to accommodate CE machines.
	Otsego Now website - Updated homepage with Microenterprise announcement and posted announcement to Instagram, Facebook and LinkedIn
	Operations – Creating a Packet to present clients during our Introduction Advisement Meeting – listing our resources, resources in the community and resources statewide in the Incubator / Innovation Center Network.
	Dan T – Reached design milestone for his idea. Bridging to 3D printing for a model.

Upcoming

Date	Activity Details
July	Bridging David K. to Chad at Ioxus
July	Developing marketing campaign with Paperkite
July	Continue canvas for Full-time employee for Innovation Acceleration Center

CEO's Report July 12, 2023

Date	Place	Meeting
June 7	Oneonta	Meeting with IDA Chair
June 8	Oneonta	Audit & Finance and Projects Committee Meeting
June 12	Binghamton	Meeting with Keystone Associates
June 12	Oneonta	Zoom Meeting with NYS Empire State Development
June 12	Laurens	Meeting with Town of Laurens re: Opting out of 487 of the NYS Tax Law
June 14	Oneonta	Meeting with John Hamor of Capital Energy Partners
June 22	Oneonta	Otsego Now Board of Directors Meeting
June 22	Oneonta	Zoom Meeting with NYSERDA and Ramboll Engineers
June 27	Richfield	Meeting with NYS DEC and HUNT Engineers
July 5	Oneonta	Zoom Meeting with Barton & Loguidice
July 5	Oneonta	Meeting with IDA Chair
July 6	Oneonta	Meeting with Len Carsen, Ed May, Steve Wilson and Dave Bliss Re: Airport
July 7	Oneonta	Zoom Meeting with Barton & Loguidice
July 10	Laurens	Town of Laurens Public Hearing on Section 487 of the NYS Tax Law
July 10	Oneonta	Meeting with Vice President of Strategic Communication for Hartwick College
July 11	Oneonta	Meeting with HUNT Engineering to Sign Contracts
July 11	Cooperstown	Otsego County IGA Committee Meeting
July 12	Oneonta	Zoom Meeting with Barton & Loguidice

Correspondence Received:

Financial Updates

- See report.

Oneonta Railyards Industrial Park

- Zoom meeting with NYSERDA and Ramboll Engineers Occurred.
- Sent data of industrial park to Al Rubin.

Richfield Springs Industrial Park

- EDA has approved hiring HUNT Engineering for construction management services. Contracts were signed between HUNT and the IDA.
- HUNT has begun reviewing all documentation regarding the project and beginning to draft construction contracts with Anjo Construction.

- The Town of Richfield passed a resolution agreeing to become co-applicant.
- NYS DEC and HUNT Engineers met at the site to review the methodology for developing the new wetland delineation map. Minor revisions were made.
- Requested Keystone Engineers to overlay revised site plan with new wetland delineation map.

Center for Innovation

- See Charter.

Digital Marketing Campaign

- The cost to continue the campaign for the remainder of the year is \$25,000.

Systematic Power Manufacturing (Ioxus)

- The second drawdown request totaling \$172,217 was approved and a check issued to Ioxus. 13 new hires in total have been added.

Air Structures American Technologies Inc. (ASATI)

- Groundbreaking for new building addition is expected for August.

Apple Converting

- The property insurance is \$5,156.00 and liability insurance is \$2,685.00. Apple Converting checking to see if they can do better.
- Received a proposal from HUNT Engineers to prepare a phase 1 environmental report on the property.
- M. Marino has started working on a ESD capital grant for Apple Converting expansion project.

Solar Projects

- Edmeston and Unatego School districts and the Town of Laurens have opted out of Section 487 of the Tax Law.

Skyline Hospitality

- Closing is scheduled for August.

TS Pink

- Working to help secure financing for TS Pink on new marketing campaign – both equipment and software.

Otsego Now Jobs Created and/or Retained between 2019 -2023				Private Investment
Company	Retained Jobs	New Jobs	Total	
Corning	175	27	202	\$27,000,000
Custom Electronics	40	50	90	\$2,200,000
Cooperstown Distillery	7	14	21	\$900,000
Andela Products	19	12	31	\$5,000,000
Ioxus (2023)	34	31	65	\$2,470,000
Steiners Meats	4	2	6	\$50,000
ASATI (2023)	23	12	35	\$400,000
ASATI II (2023)				\$1,000,000
Brooks Bottling (2023)	45	14	59	\$887,740
United Auto Supply	0	5	5	\$750,000
Apple Converting (2023)	30	0	30	\$4,000,000
Advanced Biotech	0	6	6	\$14,000,000
Micro-Enterprise	-	9	9	\$39,000
TS Pink (2023)	17	5	22	NA
Skyline Hospitalities (2023)	0	14	14	\$20,500,000
Totals	394	201	595	\$79,196,740
Job Multiplier	1,970	1005	2975	
Housing Projects	Units Before	New Units		
Ford Block Rehab.	0	24		\$8,892,320
Chestnut Crossings	0	13		\$3,250,000
Total Housing	0	37		\$12,142,320
Total Private Investment				\$91,339,060
Investment Multiplier				\$250,269,024
Potential Sales Tax				\$7,307,125

\$18.3 million per year

Manufacturing has the highest multiplier effect of any sector of the U.S. economy.

Every \$1.00 spent in manufacturing adds another \$2.74 to the economy, the highest multiplier effect of any economic sector. In addition, for every worker in manufacturing, another five employees are hired elsewhere. (Source: NAM calculations using 2018 IMPLAN data.) Recent research suggests that manufacturing's impacts on the economy are even greater when we consider the entire manufacturing value chain plus manufacturing for the supply chains of other industries. That approach estimates that manufacturing could account for one-third of GDP and employment. The same research also estimates the total multiplier effect for manufacturing at \$3.60 for every \$1.00 of value-added output, with one manufacturing employee generating another 3.4 workers elsewhere. (Source: MAPI) even greater when we consider the entire manufacturing value chain plus manufacturing for the supply chains of other industries. That approach estimates that manufacturing could account for one-third of GDP and employment. The same research also estimates the total multiplier effect for manufacturing at \$3.60 for every \$1.00 of value-added output, with one manufacturing employee generating another 3.4 workers elsewhere. (Source: MAPI)