

2017 COIDA OPERATIONAD AND ACCOMPLISHMENTS

Activities and Major Projects

Board and Compliance

COIDA's Board, Audit and Finance Committee, and Project Committee all continued to meet on a monthly basis to address COIDA's governance and projects, its financials and loan portfolio. Staff prepared and submitted COIDA's Procurement, Investment and Annual Report on time to the ABO, and prepared and submitted its 2018 budget to the ABO in October 2017. Staff continued to meet individually with COIDA loan clients particularly those with delinquent loans and were successful in obtaining payments from clients who had not serviced their loans for several years. COIDA's loan portfolio has become healthier as a result. During 2017, COIDA's board gained members Sarah Poole, Jeff Joyner, Tom Armao, and Patricia Kennedy, and saw the retirement of long-serving members Robert Hanft and James Salisbury.

Staff Changes

During 2017, the Chief Executive Office, the Chief Operating Officer and support staff, for a variety of reasons and career decisions, all left employment of the Agency by mid-2017. The Board of Directors hired Valletta Ritson and Company to do a nationwide search for a new chief executive officer during the summer of 2017; at the end of the search, a new CEO was hired and started in late September 2017. A new administrative director was hired in December 2017.

Real Property

COIDA's 40-plus "shovel-ready", developable acres in the Oneonta Business Park continues to being marketed aggressively by staff. At the end of December 2017, TENTRR, a camping manufacturing company, began seriously looking at one of the vacant buildings in the Park. In addition, COIDA's vacant spec building, also in the Oneonta Business Park, which was occupied by Siemens Medical for 20 years, was leased in early 2017 by Hale Transportation. Also, the IDA began negotiations with a local manufacturing firm which has expressed interest in purchase one of the vacant lots in the Business Park and building a new 40,000 square foot manufacturing facility. IOXUS continues to lease from the IDA the building which formerly housed the Soccer Hall of Fame, and the IDA finalized a new five-year use agreement with the Oneonta Soccer Club to provide limitless access to the high-quality soccer fields on the property, for their use for training, tournaments and events. In addition, the IDA began negotiations with the County of Otsego Chamber of Commerce to sub-lease office space at the IDA offices at 189 Main Street in Oneonta.

Downtown Revitalization Initiative

COIDA staff continued to work with the City of Oneonta to acquire downtown property for the future site of the Food & Beverage Innovation Center. In addition, the IDA transferred a grant it received for the Market Street Streetscape Improvements to the City of Oneonta which received a similar grant for Main Street. The Downtown Revitalization Initiative plan was completed and forward to New York State during the summer of 2017. COIDA staff will continue to be actively involved in developing the Innovation Center and helping with the revitalization of Market Street.

Oneonta Rail Yards

During the summer of 2017, COIDA closed on the purchase of the approximately 80 acres of vacant land at the rail yards. In addition, the Agency hired Delaware Engineering to conduct a full environmental impact assessment of the site along with Elan Planning to update the City of Oneonta's master plan to incorporate the railyard development. It is expected that these studies will continue through 2018. The goal is to create multi-modal shovel-ready sites available to market by 2019.

Workforce Development

In 2017, the Workforce Development Center (the “Center”) shifted its focus to conduct training programs of its own and is reaching out to the NYS Small Business Development Center, the Otsego County Chamber of Commerce, SUNY Broome, the NYS Department of Labor and the Center for Agriculture, Development and Entrepreneurship (CADE) to provide training in the IDA’s facilities and using the IDA computers and other equipment.

Grants

The IDA is administering the following grants:

- \$1,000,000 in capital grants to continue to move the Oneonta Rail Yards project forward;
- \$3,000,000 in funding to construct the Food & Beverage Innovation Center;
- \$500,000 to convert portions of Oneonta’s Market Street into a pedestrian-friendly arts and entertainment district;
- \$250,000 grant from the NYS Dormitory Authority towards a public wifi “hotspot” initiative for the Village of Cooperstown; and

Cooperstown Plan

In 2017, COIDA and its consultant team, working with the Village of Cooperstown, completed the strategic and revitalization plan for Cooperstown, which identifies development nodes, will help to attract new business and revitalize the Main Street and the greater community. The comprehensive plan also identifies opportunities to bring private investment to Cooperstown and will serve as the backbone of economic development opportunities for the Village. Empire State Development had committed \$58,000 in funding towards this plan, which COIDA expects to receive by spring of 2018.

Richfield Springs Business Park Development

COIDA, using ESD planning funds, completed a joint Town/Village comprehensive plan for Richfield Springs during 2017. Part of the plan studied the feasibility, archeological and engineering issues, and possible locations of a business park for future development. Reimbursement of \$150,000 is expected from ESD by the spring of 2018.

Natural Gas and Electric Supply

Staff have begun working with various companies and non-for-profit organizations in the County to look at the issues of natural gas and electric supply. It is anticipated that meeting with NYSE&G will commence in early 2018 to explore alternative means to supply increase energy within the County.

One Stop Business Center

The IDA began discussion with the Otsego County Chamber of Commerce to move its operations into the IDA offices. This cooperative venture would allow the IDA, the Chamber and the NYS Small Business Development Center to function as a cohesive unit. The IDA has also reached an agreement with the Southern Tier East Regional Planning and Development Board from Binghamton to house a staff planner within the IDA offices beginning in the summer of 2018. Discussion are also underway to house the offices of the Center for Agriculture, Development and Entrepreneurship (CADE) also within the IDA offices thereby enhancing the services provided to businesses of all sectors.

Comments on Financial Analysis

Concerning the increases in operating revenues:

- Operating revenues for the IDA remained fairly constant. There was an increase in revenues from the recovery of bad debt, but this revenue cannot be depended upon.
- Similarly, revenues from economic development, while down in 2017, is projected to increase in 2018 – but this also is a fluctuating revenue source.

- Rents, while down in 2017, are expected to increase in 2018 with planned subleasing to the Chamber of Commerce and, possibly, CADE.

Concerning operating expenses:

- Major decreases in operating expenditures included office expenses, consulting services related to lobbying efforts, grant writing and administration, executive management, travel and conferences. These operating expenditures will continue into future years.
- Consulting services for the railyard development which were authorized in 2017, while they have had little fiscal impact in 2017, will greatly increase operating expenses in 2018.
- Staff salary reductions achieved in 2017 will continue in the coming years.

Economic Factors

2017 continued to be a difficult economic environment, on the global, national and local level. Locally, most businesses are not growing, whether by circumstance or by choice, and the population is stagnant or declining, making growth all the more challenging. Furthermore, with an unemployment rate of 4%, existing businesses in all industries are having a difficult time filling job vacancies in Otsego County. Commercial lending continued to lag, hampering the access to capital many businesses need for growth and stability. However, throughout the year, COIDA continued to reach out to existing businesses for growth opportunities and to identify business retention cases. Agribusiness and growth in the downtown Oneonta and Cooperstown areas continue to be of significant focus for economic activity during the year, as do redevelopment of the Oneonta rail yards and the Market Street area of Oneonta in general. Further, Otsego County hopes to take advantage, in the coming years, of the nanotechnology sectors growing rapidly to our east in Albany and to our west in Utica/Rome.

At the close of 2017, our goals remain in conjunction with Governor Cuomo's Regional Economic Development Councils and the commitment to develop and participate in regional strategic plans, to work to attract private investment and well-paying jobs, and to build a pipeline for targeted economic development initiatives.

2018 MARKETING INITIATIVES

- Continue to build relationships among New York State agencies and individuals, the site-selector community nationally, and key industry groups in order to attract new private investment to Otsego County;
- Develop property fact sheets for direct marketing campaigns and website viewing and downloading;
- Continue to develop a comprehensive inventory of available sites and buildings for lease or purchase;
- Continue to publicize Otsego Now activities and successes through a combination of social media, press releases, relationship-building with local and regional press, website marketing and events;
- Participate in targeted industry and sector events; and
- Host developers' forums where appropriate to increase visibility.

2018 GOALS

- Continue work redeveloping Oneonta rail yards with partners including Norfolk Southern and the City of Oneonta;
- Continue advancing all Oneonta DRI projects, including the Food & Beverage Innovation Center, the Transit Hub, Market Street streetscape improvements, the Westcott Lot building, and all other related initiatives;

- Aggressively market shovel-ready sites at Oneonta Business Park;
- Continue to conduct annual business retention and site visits to existing companies in Otsego County;
- Aggressively market shovel – ready sites at Oneonta Business Park;
- Utilize the completed comprehensive plans for Richfield Springs, Cooperstown, and Oneonta for business attraction and retention;
- Work to move forward significantly WiFi and Broadband development;
- Working with NYSEG and other energy providers, development a plan for increasing both natural gas, compressed and/or liquified gas, electric and solar capacity within the County;
- Conduct annual business retention and site visits to existing companies in Otsego County; and
- Form relationships with strategic partners across the Region and State in order to promote job-creation and economic development throughout Otsego County.

Requests for Information

Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Jody Zakrevsky, Chief Operating Officer, County of Otsego Industrial Development Agency, 189 Main Street, Suite 500, Oneonta, New York 13820.