

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY

October 25, 2018

MEETING MINUTES

CALL TO ORDER

Vice Chairman, Jeffery Joyner., called to order the meeting of COIDA at 8:02am at the Otsego Now offices located at 189 Main Street, 5th floor, Oneonta, NY. Meaghan Marino conducted roll call and determined there was a quorum. Voting members present were:

Jeffery Joyner
Craig Gelbsman
Cheryl Robinson
Andrew Marietta*

Jeffrey Lord
Tom Armao
Patricia Kennedy

Absent Board Member(s): Richmond Hulse, Jr.

Also, in attendance:

STAFF

Jody Zakrevsky, CEO
Meaghan Marino, Dir. Of Finance & Admin

COUNSEL

Kurt Schulte, Agency Counsel
Joe Scott, Bond Counsel

GUESTS

Steve Barton (Planning Committee, Schenevus)
Meg Kennedy (Otsego Co. Board of Reps)**
Karen Sullivan (Otsego Co. Planning Dept.)**
Leslie Orezetti (OCCA)**

Albert Colone (GO-EDC)
Rachel Kornhauser (SUNY Oneonta)**
Matt Kent (Leatherstocking Timber)**
Vince Foti (OneGroup NY, Inc.)**

* Joined the meeting in progress

** Departed the meeting in progress

CHAIRMAN'S REMARKS

Chairman Richmond Hulse Jr. was absent from the meeting, as such, Vice Chairman J. Joyner welcomed board members and guests and began with remarks. He referenced an article from the NY Post ("Economic Gap Widens Between Upstate and Downstate NY" by Carl Campanile, 10/23/2018) that highlighted the economic disparities between Upstate and Downstate NY in the past 8 years. Upstate NY's economic recovery since the recession has been among the weakest of any region in the country – meanwhile, Downstate NY thrives. J. Joyner brought the article to member's attention based on issues that our county is currently facing.

GUEST PRESENTATIONS*

- Steve Barton, Chair of the Comprehensive Planning Committee of Schenevus, advised that the Planning Committee is aware of the feasibility study for a distribution center along I-88 in Otsego Co. Board members questioned the timeline for the Comprehensive Plan; Mr. Barton advised they hope to have a draft plan by the end of December, 2018.
- Matt Kent, Owner of Leatherstocking Timber Products, Inc., talked about the benefits of using biomass to power his business. Mr. Kent suggested one of the colleges (preferably SUNY Oneonta, because of its centralized heating system) could switch to biomass, which would in turn free up the gas supply for others on the line. Mr. Kent provided an article from the Magazine for Environmental Managers (“A Summary of U.S. Colleges Powered by Biomass, Energy, 4/2016) detailing how some colleges are implementing systems to reduce their dependence on natural gas. Among the sources for the biomass energy used at some of these colleges; woodchips, corn stover, pellets, or any biological material. Mr. Kent advised that trees rotting in the forest release a large amount of methane into the atmosphere and by not cutting them down, we are almost doing more harm than good. We could solve our energy issues with the abundance of trees that we are surrounded by in Otsego County.
- Karen Sullivan, Director Otsego County Planning and Waste Dept., echoed Matt Kemp’s statements and encouraged anyone who hasn’t been to Leatherstocking Timber Products, Inc. to take a tour and see how they power their facility.

MEETING MINUTES

J. Joyner presented the meeting minutes from the September 27th COIDA board meeting. Board members were given a copy of the minutes prior to the meeting to review. There being no corrections to be made, J. Lord made a motion to approve the meeting minutes. C. Robinson seconded the motion and it was approved by the remaining members.

TREASURER’S REPORT

Treasurer, J. Lord briefed the board on topics from the October 11th Audit & Finance meeting. Although J. Lord was absent from that meeting, board members were given a draft copy of the minutes from the October meeting as a review of the committee. The biggest item from that meeting was the draft budget that J. Zakrevsky prepared for 2019. Members were also given a copy of the September CFO’s report and J. Zakrevsky’s amended budget that were presented at the Audit & Finance meeting.

BILLS TO BE PAID

M. Marino provided a report reviewing the bills to be paid, and the deposits that have been made since the October Audit & Finance meeting. There was nothing out of the ordinary for the checks or deposits. The largest expenses were from Delaware Engineering for the Route 205 traffic study and the redevelopment of

the Oneonta railyards. T. Armao made a motion the pay the bills presented. C. Gelbsman seconded the motion was approved by the remaining members.

COMMITTEE REPORTS

❖ GOVERNANCE COMMITTEE

Because Governance meetings are held quarterly, there was no Governance meeting in September. The next Governance Committee meeting will be held in December, 2018.

❖ AUDIT AND FINANCE COMMITTEE

The Audit and Finance Committee meeting was held on October 11th. Please refer to the ‘Treasurer’s Report’, as the report for the Audit and Finance Committee.

❖ PROJECTS COMMITTEE

The Projects Committee meeting took place on October 11th. Committee Chair, C. Robinson, was absent from the meeting, so the meeting was run by T. Armao. A copy of the draft meeting minutes from that meeting were given to board members as a review of the committee.

T. Armao made a motion to approve the report of the committees. J. Lord seconded, and the committee reports were approved by remaining board members.

CEO’S REPORT

J. Zakrevsky updated the board on the following projects:

- Custom Electronics – J. Zakrevsky prepared a sub-recipient agreement between the IDA and the Town of Oneonta to administer the \$750,000 grant awarded to Custom Electronics. The Town requested an agreement giving them blanket indemnification. K. Schulte worked out the details of the agreement and advised the IDA would be indemnified from any mistakes made by the Town and vice versa. Board members agreed that we should not agree to blanket indemnification and if the Town doesn’t agree, they have the option to self-administer the grant or hire another firm.
- Roundhouse Road –J. Zakrevsky confirmed to the board that the city’s engineers will not be able to pave Roundhouse Road before the winter. He advised that the city will continue to plow and maintain the road, as necessary, through the winter.
- Bassett Hospital/Templeton Foundation – Closing on bond issuances will take place on November 9th. Board members will vote on the approving resolutions and SEQR resolutions in the OCCRC meeting. The county’s Administrative Committee will meet and approve the bond issuances on October 26th; the county’s Intergovernmental Affairs Committee will meet and approve the bond issuances on October 30th; and the county Board of Representatives will meet and approve the bond issuance at their November 7th meeting.
- General Electric – J. Zakrevsky met with John Catillaz of GE’s Power Distributed Energy Solutions Group. John is willing to help Otsego Now and the county on finding a community solution to our energy needs. Since that meeting, John has indicated that he has engaged his Energy Consulting group and briefed them on the project. They will work closely with John to learn more about the

existing infrastructure, its operational limitations, and model out proposed solutions. They have requested information on potential usage in the Railyards and asked J. Zakrevsky to get electric/natural gas numbers for companies, like Chobani, to work up a comparable scenario. Board members requested that he work with them on getting a timeline.

- Consolidated Funding Applications – J. Zakrevsky attended the State’s review of the Mohawk Valley Regional Economic Development Council’s priority projects. Included in the region’s priority projects; Steiner’s Packing Co. (\$30,000), Andela Products/Ruby Lake Glass (\$986,000), and Otsego Now’s Project (\$1.75 million/another half from Southern Tier). Final determinations will be made in December.
- PILOTs – J. Zakrevsky met with County Treasurer, Allen Ruffles, regarding current PILOTs. There was a discrepancy between the taxing jurisdictions and Northern Eagle. Northern Eagle has a PILOT with the IDA but was sent a tax delinquent notice. Subsequently, the Daily Star identified them as being delinquent on their taxes. Joe Scott advised that he emailed George Allen (Northern Eagle) and Allen Ruffles with certified mail receipts to show that the IDA properly informed each taxing jurisdiction of the PILOT in 2015. J. Zakrevsky advised that he’d create a detailed tracker outlining each PILOT and what they are to pay each year. C. Robinson questioned if that is the best use of his time and if it isn’t something that the County should be working out themselves. C. Gelbsman suggested that a retraction be put into the paper immediately to clear up the fact that Northern Eagle is not delinquent on their taxes.
- Stiches and Ink – IDA received a signed application and environmental assessment form from Decker Advertising for Stiches and Ink – a fabric printing manufacturer. A cost benefit analysis was run, using InformAnalytics. The analysis shows that there will be a greater benefit to the community than the cost of the PILOT agreement.

RESOLUTIONS AND MOTIONS

Approving Resolution – Stiches and Ink, Inc.

Resolution authorizing execution of documents in connection with a certain lease/leaseback transaction for a project for Stiches and Ink, Inc.

J. Lord made a motion to approve. C. Robinson seconded, and the motion was approved by all members.

SEQR Resolution – Stiches and Ink, Inc.

Resolution determining that action to undertake a project for the benefit of Stiches and Ink, Inc. will not have a significant effect on the environment.

A. Marietta made a motion to approve. C. Gelbsman seconded, and the motion was approved by all members.

RECESS

The meeting of the board of directors of COIDA had to be briefly recessed to conduct the meeting of the OCCRC.

T. Armao motioned to adjourn the meeting at 9:25am. C. Robinson seconded, and the meeting was briefly adjourned.

CALL TO ORDER

Vice Chairman, Jeffery Joyner., called back to order the meeting of COIDA at 9:36am at the Otsego Now offices located at 189 Main Street, 5th floor, Oneonta, NY. Meaghan Marino conducted roll call and determined there was a quorum. Voting members present were:

Jeffery Joyner
Cheryl Robinson
Jeffrey Lord

Tom Armao
Craig Gelbsman

Absent Board Member(s): Richmond Hulse, Jr.

Also, in attendance:

STAFF
Jody Zakrevsky, CEO
Meaghan Marino

COUNSEL
Kurt Schulte, Agency Counsel
Joe Scott, Bond Counsel

RESOLUTIONS AND MOTIONS

2019 COIDA Budget Submission

Resolution authorizing Otsego Now CEO to submit the budget to the NYS Comptroller's PARIS Report on behalf of COIDA.

J. Zakrevsky advised the board of two things; that he did not add a line item for additional staff into the budget, and that he is considering doing a separate budget for the Railyards/Roundhouse Road, since it is its own entity. Regarding the additional staff, J. Zakrevsky advised that Otsego Now would be able to support an additional person on staff for 2019, but we would need to find new revenue sources to be in good financial standing in 2020. A brief discussion ensued regarding ways to generate revenue past 2019, including identifying key properties to develop and sale of services. C. Robinson suggested that J. Zakrevsky prepare a 1-5-year plan on an ROI basis and a vision plan that details various revenue sources to build additional staff into the budget. It was also suggested to hire a consulting company to help with grant work on a needed basis, as opposed to hiring a full-time staff person. J. Zakrevsky advised he would create 1-5-year plan and bring it back to the board.

There was one small correction that needed to be made in the budget prior to approval/submission; the annual income for Stiches and Ink's administrative fee was incorrectly listed and should have reflected \$213.50 annually.

T. Armao made a motion to approve the COIDA budget, pending corrections, and submit to the NYS Comptroller's PARIS Report. C. Gelbsman seconded the motion, and it was approved by remaining members.

Sub-Recipient Agreement with the Town of Oneonta

Resolution authorizing COIDA to enter into a sub-recipient agreement with the Town of Oneonta to administer a \$750,000 CDBG grant that was awarded to the Town for the expansion of Custom Electronics.

There was a correction that needed to be adjusted on the resolution presented to the board. It cited that the CEO is authorized to enter into the sub-recipient agreement but should have stated that COIDA is hereby authorized to enter into the agreement. Board members also noted that any amendments to the agreement, to indemnify the Town of Oneonta or Otsego Now, must go through agency counsel, Kurt Schulte, first.

J. Lord made a motion to approve COIDA entering into a sub-recipient agreement with the Town of Oneonta. T. Armao seconded the motion and it was approved by all remaining members.

Purchase Offer on Property on Pony Farm Road

Otsego Now hired Ranieri Appraisals, Inc. to conduct an appraisal on 159 Pony Farm Road. The current owner has reached out to the IDA to sell her home, which is located near other IDA properties in the Business Park. A brief discussion ensued over the appraisal value, the clean-up costs to raise the house, and the financial position of the IDA and CRC. After much discussion, it was decided that J. Zakrevsky could approach the owner and make an offer on the property for the appraised value. J. Zakrevsky will also provide an outlined plan/timeline for the property for the board.

J. Joyner made a motion to approve COIDA making an offer on the property at 159 Pony Farm Road. J. Lord seconded the motion and it was approved by remaining members.

NEW BUSINESS / UNFINISHED BUSINESS

J. Zakrevsky advised the board that he met with Wayne Treffeisen. In the contract of sale for the purchase of the railyards, there was a provision for the IDA to buy Treffeisen's property. Wayne advised J. Zakrevsky that he has a potential tenant for his building and wants to fill the property, unless COIDA would like to move on the property. Board members agreed that, as of now, they are not willing to purchase the property and would like to wait until Delaware Engineering is done with the GEIS and see where/how Treffeisen's property could fit into the master plan.

T. Armao brought up the biomass presentation that Matt Kemp had presented on earlier in the meeting. He asked if we would be doing anything with this idea. C. Robinson seconded his comments by asking what our plan is since people continue to show up to our meetings each month with ideas to solve our energy issues. J. Zakrevsky advised that we are still awaiting word on the grant submission for the decompressor station, but he is willing to hear other ideas as to how to solve the problem.

Citing J. Zakrevsky's CEO Report from earlier in the meeting, J. Lord suggested that instead of submitting a Chobani's energy consumption to GE, we should provide more realistic numbers scaled to the size of business that may be placed in the Rail yards. J. Zakrevsky advised that he reached out to John Harmor, Four Corners Energy, to get the data and submit it to GE, but he would advise him of J. Lord's suggestion.

J. Zakrevsky also advised members that ESD alerted him to a company that has looked at the Schenevus property several times. He has a meeting scheduled with Tim Powers, but based on the jobs that the company is projecting, they could pay for the property in CDBG grants. J. Zakrevsky hopes to have more information by the November board meeting.

ADJOURNMENT

There being no further business to discuss, T. Armao motioned to adjourn the meeting at 9:56am. C. Gelbsman seconded, and the meeting was adjourned.

UPCOMING MEETING SCHEDULE

- Audit & Finance Committee Meeting / Projects Committee Meeting – November 9th, 2018
- COIDA/OCCRC Board Meeting – November 29th, 2018 at 8:00am.

***All meetings are held at the Otsego Now offices at 189 Main Street, Oneonta. NY. 13820**