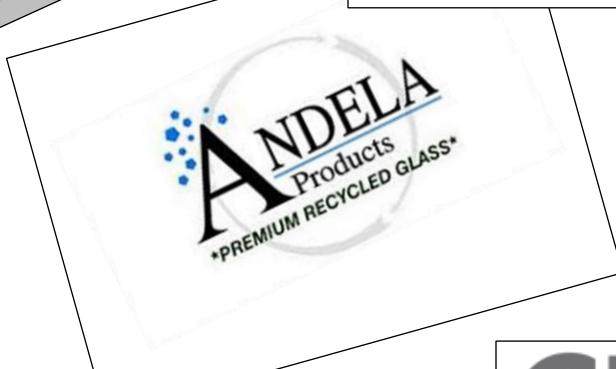


# 2019 Otsego Now Annual Report

## MOVING OUR BUSINESSES FORWARD

Templeton Foundation



# Message from the CEO

2019 was the year of partnerships and it is these partnerships that have begun to move the economic development successes to fruition. We now truly have a one-stop shop for economic development activities. Otsego Now's Offices collectively house the IDA, the County Chamber of Commerce, the Small Business Development Center, Southern Tier 8 and the Center for Agriculture, Development and Entrepreneurship.



Collectively, our agencies provide training, marketing, and financing options to all businesses in the County. Otsego Now, for the second year, is also receiving financial support from the County Board of Representatives. And, a partnership between Otsego Now, the City of Oneonta and the County Highway Department resulted in the repaving of Roundhouse Road – the entrance into our latest business park. Otsego Now is also partnering with both the Town of Oneonta and the Village of Cooperstown in administering their recent Community Development Block Grants. And, a partnership was formed to include environmentalists and Hartwick professors to help plan and attract businesses to the Oneonta Railyards Business Park. Finally, a partnership between Otsego Now, the Chamber, Custom Electronics and General Electric (GE) looks to explore micro-grid development within our business parks.

I must point out that Otsego Now's successes in the past year would not have been attainable without the constant support of the Board of Directors whose leadership and commitment have proved invaluable. All Board members have spent a great deal of time and energy to make economic development successful in our County. It is their leadership which has turned the IDA into the economic development agency of the County.

Jody Zakrevsky, CEO

## TABLE OF CONTENTS

Board of Directors.....	3
Finances.....	5
Railyard Development.....	8
Corning Solar Array.....	9
Halal Meat Processing.....	10
Cooperstown Distillery.....	11
Custom Electronics.....	12
Steiner's Packing Company.....	13
Roundhouse Road Resurface .....	14
Richfield Spring Eco-Business Park.....	15
One Stop Shop.....	16
Ford Building Restoration.....	17
Agency Staff.....	19

## 2019 Board of Directors



**RICK HULSE, CHAIR**



**JEFF JOYNER, VICE CHAIR**



**THOMAS ARMAO**



**CHERYL ROBINSON**



**JEFF LORD, TREASURER**



**DAVID ROWLEY**



**ANDREW MARIETTA**



**PATRICIA KENNEDY**



**CRAIG GELBSMAN, SEC.**



## 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 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 Finances

### 2019 Operational/Administrative

The operating loss for COIDA was \$(155,552) for fiscal year 2019, compared to \$(77,415) for the fiscal year 2018. This represents a decrease in revenues of \$53,822 and an increase in expenses of \$24,315.

The decrease in operating revenues was mostly attributable to:

- Decrease in interest income on notes of \$3,694;
- Increase in rental income of \$16,383; related to the sublease of office space;
- Decrease in economic development support of \$78,488;
- Decrease in other income of \$4,116; and
- Increase in fee revenue of \$16,093.

The increase in operating expenses was mostly attributable to:

- Decrease in grants and program expenses of \$5,000;
- Increase in rental expense of \$5,350;
- Decrease in pilot payments of \$3,293;
- Increase in professional fees of \$6,001;
- Increase in marketing expense of \$3,485;
- Decrease in travel, seminar and training of \$2,003;
- Decrease in depreciation expenses of \$2,876;
- Increase in membership dues and subscriptions of \$3,786;
- Increase in maintenance of WNSC fields of \$4,435;
- Increase in payroll and payroll related expenses of \$16,782;
- Decrease in repairs and maintenance of \$718; and
- Decrease in other expenses of \$1,634.

At the close of fiscal year 2019, COIDA had net position of \$4,841,796, a decrease of \$162,994 from the prior year. The term “net position” refers to the difference between assets and liabilities.

**Also, during the close of 2019, the Otsego County Board of Representation appropriate \$75,000 in County funds for general operating support of Otsego Now for use in 2020, the second appropriation for the Agency in the past two years.**

## IDA Loan Portfolio

The following companies have outstanding loan balances with the IDA:

<u>Borrower</u>	<u>Original Loan</u>	<u>Balance</u>
Enviro Energy	\$100,000	\$45,953.25
JSJJ Enterprises, LLC	\$150,000	\$24,871.55
Oneonta Theater	\$100,000	\$85,978.84
Foothills PAC	\$100,000	\$100,000.00
Cooperstown Distillery I	\$ 50,000	\$0.00
Cooperstown Distillery II	\$ 40,000	\$0.00
Jones Marine	\$ 32,939	\$1,996.59
<u>Brook's Bottling</u>	<u>\$150,000</u>	<u>\$56,697.20</u>
Totals	\$822,939	\$408,067.84

During 2018, two loans were paid off in full – both loans were to the Cooperstown Distillery.

## **Payment-In-Lieu-of Tax (PILOT) Programs**

**The following companies currently have payment in lieu of tax agreements with the IDA:**

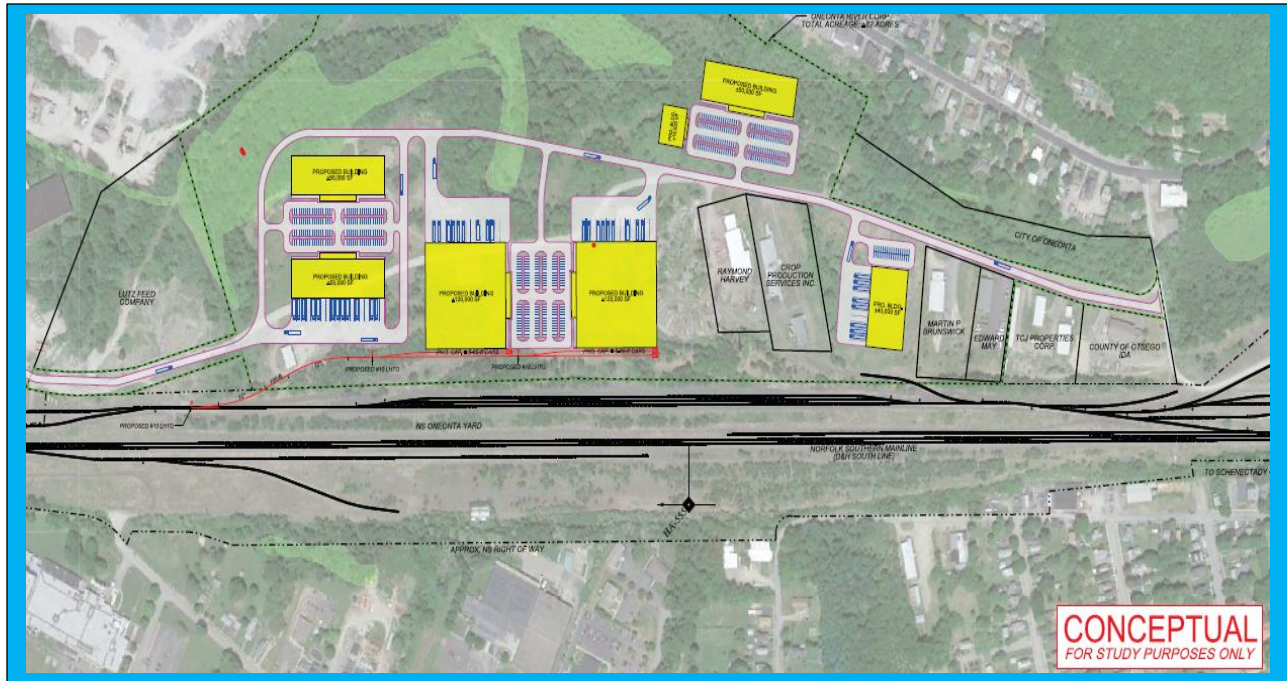
Elizabeth Hotels	Acquisition and Construction of Building
Lutz Feed Company	Acquisition and Construction of Building
Brewery Ommegang	Acquisition and Construction of Building
The Plains LLC	Acquisition and Construction of Building
Klugo Oneonta	Acquisition and Renovation of Building
Hillside Commons Oneonta	Construction of Student Housing
Focus Ventures	Acquisition and Renovation of Nursing Home
Northern Eagle LLC	Construction of Warehouse and Office Building
Corning	Renovation of Building

### **Revenue Streams from Annual Pilot and Bond Fees (2019)**

<b>Focus Ventures (Pilot)</b>	<b>\$50,000</b>
<b>Hartwick College (Bond)</b>	<b>\$13,855</b>
<b>Northern Eagle (Pilot)</b>	<b>\$ 3,850</b>
<b>Bassett Hospital (Bond)</b>	<b>\$ 8,260</b>
<b>Hillside Commons (Pilot)</b>	<b>\$ 1,500</b>
<b>CSL Heritage (Pilot)</b>	<b>\$ 9,888</b>
<b>Corning Enterprises</b>	<b>\$ 7,791</b>
<b>Springbrook (Bond)</b>	<b><u>\$ 3,675</u></b>
<b>Total</b>	<b>\$98,819</b>



# Oneonta Railyard Development



Otsego Now closed on approximately 89 acres of property formerly owned by Norfolk Southern during the spring of 2017. Delaware Engineering, P.C. was hired to prepare a generic environmental impact statement on behalf of Otsego Now to be submitted to the City of Oneonta for approval. In the late fall, the City of Oneonta accepted the findings statement prepared for the generic environmental impact statement.

Once the GEIS was completed, Otsego Now, working in conjunction with the Otsego County Highway Department and the City of Oneonta began the first phase of redevelopment: the resurfacing of Roundhouse Road.

# 2019 Business Expansions and Activities

## CORNING MANUFACTURING SOLAR ARRAY

In July 2019, the Otsego County Industrial Development Agency approved a Payment-in-lieu-of-tax (PILOT) agreement, as well as sales tax exemptions for Corning to install a 664.5kW DC; 490 kW AC system to be built at their Oneonta facility.

The array will occupy 2.61 acres and will be surrounded by fencing, per NYS electric code. The array will produce approximately 806,000 kwh annually and will have a transformer & disconnect adjacent to a NYSEG substation. The system will produce power that is delivered to the NYSEG grid and is consumed by Corning.



The solar array is part of the overall upgrade of the Oneonta Facility. Corning invested a total of about \$14 million for plant upgrades and the installation of the solar array.





## 2019 BUSINESS EXPANSIONS AND ACTIVITIES

### OTSEGO NOW RECEIVES \$200K FOR HALAL MEAT PROCESSING FACILITY



*AP Graphic*

**The state is awarding nearly \$30 million to support agriculture projects, including \$200,000 to OTSEGO NOW for the Oneonta Halal Meat Processing Facility.**

Posted: Jan 3, 2020 12:10 PM

Posted By: WKTV

**The state is awarding nearly \$30 million to support agriculture projects, including \$200,000 to Otsego Now for the Oneonta Halal Meat Processing Facility.**

**The facility will provide custom meat processing for local farmers and growers and tap into the market of USDA-inspected Halal beef, lamb, goat and other meat products in the New York City metropolitan area.**

**The 7,200 square-foot facility will be located in the Oneonta Business Park.**

**“New York is home to the best farms and best food and beverage businesses in the world and they are growing local economies, creating jobs, and improving quality of life,” said New York State Agriculture Commissioner Richard A. Ball.**

**The funds were distributed on Dec. 19 as part of the 2019 Regional Economic Development Council Initiative.**

## **IDA Assists the Cooperstown Distillery in Securing \$185,000 in NYS Grants for Expansion**



**Otsego Now assisted the Cooperstown Distillery in securing a \$85,000 NYS Empire State Development Grant and submitted a CDBG on behalf of the Village of Cooperstown for another \$100,000 grant. The total project cost is estimated at around \$420,000. The expansion, which began in the fall of 2019, is expected to be completed by the spring of 2020. Six new employees will be hired increasing their workforce to fourteen.**

## CUSTOM ELECTRONICS PLANS NEW MANUFACTURING LINE



In 2018, the IDA applied for on behalf of the Town of Oneonta and Custom Electronics for a \$750,000 to assist Custom Electronic with a new manufacturing line for “smart batteries” for use in disaster recoveries, hospitals, and the entertainment field. The total cost for the project is \$2.2 million. The planned expansion began in 2019 and upon completion, another 50 new jobs will be created at the facility in Oneonta – bringing their total employment to 125. During 2019, the company added 33 new employees.

The grant was awarded by the New York State Division of Homes and Community Renewal for equipment purchases and the grant is being administered by Otsego Now.

**Awarded \$750,000**  
**CDBG Grant**

Custom Electronics has been incorporated since 1964 and is a global leader in the design and manufacturing of high-voltage mica capacitors and integrated electronic assemblies, serving military, industrial, and commercial markets worldwide. They recently agreed to a joint venture with V2, a Las Vegas based company to produce and sell energy storage integrated systems, under the name **Mobile Grids**. Mobile Grids are unique off-the-grid power sources that will supply units to areas with power interruption, such as disaster relief efforts, and other venues that need continuous power supply, such as hospitals, concerts, movie set, etc. The new production line for their “intelligent battery” will ultimately allow Custom Electronics to increase sales, enhance packaging, encourage a more efficient assembly process, and add to their successful history of products.

## **Steiner Packing Company Completes Expansion with \$30,000 Grant from NYS Empire State Development**



The Steiner Packing Co., located at 28 Church Street, in Otego, New York, 13825, expanded their current facility. Previously they had 2 coolers and 1 freezer. Steiner's added an additional cooler, so that they can accommodate the more than 25 farms that are currently on their wait list as potential clients.

The added cooler allows them to increase the number of animals they process weekly, thus allowing them to increase demand from their current clients and take on new clients. In addition to the cooler, Steiner's would install a loading dock to their existing facility, to easily bring in/take out large, heavy pieces of meat. Presently, it's takes several employees (and sometimes clients!) to assist in getting larger animals into the facility and large pieces of meat out. The implementation of the loading dock will save employee time and productivity and make the loading/unloading process much safer for everyone involved.



# Roundhouse Road Rehabilitation



**Spring 2019**

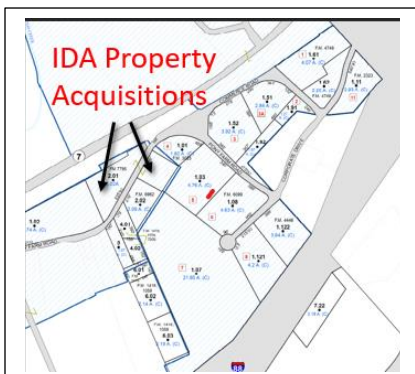


**Fall 2019**

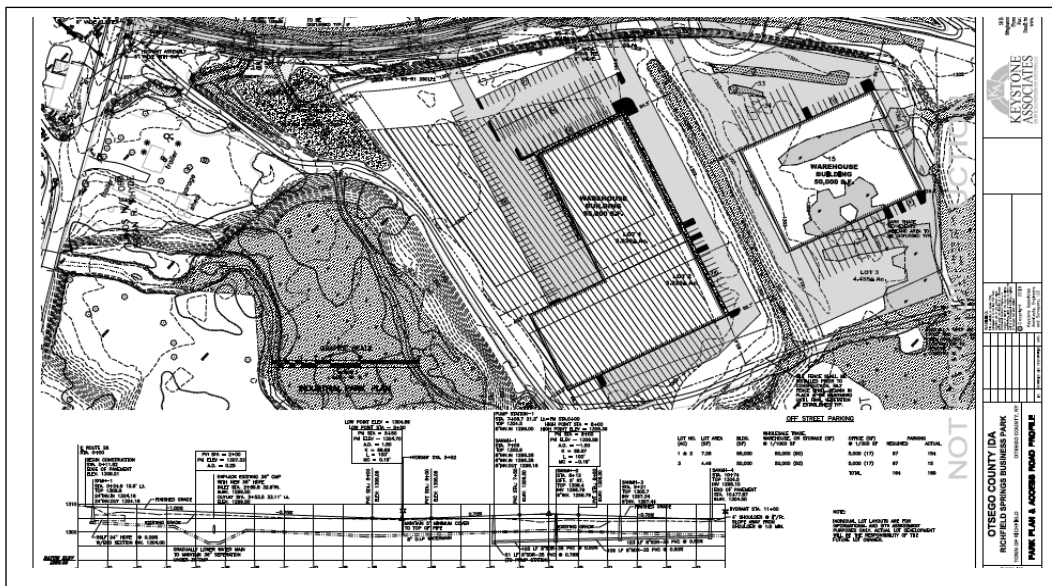
**After the City of Oneonta accepted the generic environmental impact statement prepared by Otsego Now, Otsego Now, in cooperation with the City of Oneonta and the Otsego County Highway Department, repaved Roundhouse Road – the entrance way into the Oneonta Rail Yard Business Park. It is one of two capital projects that the IDA has undertaken in several years.**

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## **In 2019 IDA Added another 5 Acres with Rail Access to the Oneonta Business Park**



## Otsego Now Receives \$350,000 Grant from NYS Empire State Development for Richfield Springs Eco- Business Park in 2019



During 2019, Otsego Now hired Keystone Engineering to begin designs of the Richfield Springs Eco-Business Park. In addition, Keystone is working on developing water and sewer districts with the Village of Richfield Springs and the Town of Richfield.

Also during 2019, the IDA applied for and received an Empire State Development Grant in the amount of \$350,000. The IDA also hired the MRB Group to prepare a federal Economic Development Administration (EDA) grant in the amount of \$1.1 million. The application is expected to be submitted in early Spring 2020.

## Otsego Now Offices: One Stop for All Business Needs

During 2019, Otsego Now has been continues to work with County Chamber of Commerce, the Southern Tier Planning and Development Agency and the Center for Agriculture, Development and Entrepreneurship (CADE) to share offices with Otsego Now and provide a unified approach to helping businesses.



## **Ford Building Restoration by Springbrook**



### **Creation of New Downtown Market Rate Housing**

**During 2019, Otsego Now provided technical assistance to the Springbrook Foundation on a grant application to the New York State Empire State Development resulting in the award of \$800,000 toward the restoration of the historic Ford Building in downtown Oneonta. The estimated cost for this project is \$5.1 million and will result in ground floor commercial space as well as upper floor market rate housing.**

**In addition to the ESD financing, the Springbrook Foundation Development Corporation will be looking to the IDA for payment-in-lieu-of-tax assistance for the upper floor residential component. The ground floor commercial space will be assessed at full market value.**

**COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY**  
**(A Component Unit of Otsego County, New York)**

NET POSITION	<u>2019</u>	<u>Prior Year</u>	<u>2018</u>
Current assets	\$ 1,074,598	\$ (121,654)	\$ 1,196,252
Non-current assets	<u>4,056,223</u>	<u>(67,589)</u>	<u>4,123,812</u>
Total assets	<u>5,130,821</u>	<u>(189,243)</u>	<u>5,320,064</u>
Current liabilities	284,025	(31,249)	315,274
Deferred inflows of revenue	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total liabilities	<u>289,025</u>	<u>(26,249)</u>	<u>315,274</u>
Invested in capital assets, Net of related debt	4,019,987	(767)	4,020,754
Unrestricted	<u>821,809</u>	<u>(162,227)</u>	<u>984,036</u>
Total net position	<u>\$ 4,841,796</u>	<u>\$ (162,994)</u>	<u>\$ 5,004,790</u>
CHANGES IN NET POSITION			
Operating revenues	\$ 358,257	\$ (53,822)	\$ 412,079
Operating expenses	<u>513,809</u>	<u>24,315</u>	<u>489,494</u>
Operating loss	(155,552)	(78,137)	(77,415)
Non-operating income (expense)	<u>(7,442)</u>	<u>59,291</u>	<u>(66,733)</u>
Change in net position	(162,994)	(18,846)	(144,148)
Net position – Beginning of year	<u>5,004,790</u>	<u>(144,148)</u>	<u>5,148,938</u>
Net position – End of year	<u>\$ 4,841,796</u>	<u>\$ (162,994)</u>	<u>\$ 5,004,790</u>



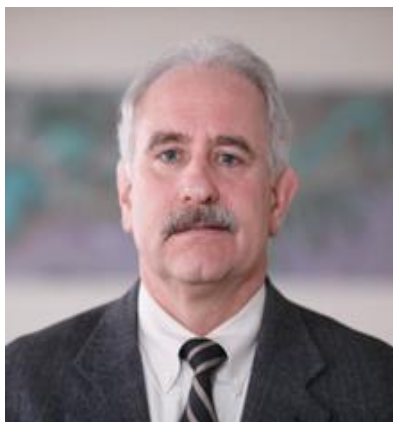
## Agency Staff



**Jody Zakrevsky**  
**Chief Executive Officer**



**Meaghan Marino**  
**Director of Administration  
And Finance**



**Kurt Schulte, Esq.,**  
**Agency Counsel**



**A. Joseph Scott, III.**  
**of Hodgson Russ, LLP**  
**Bond Counsel**

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