

**COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY**  
**September 24<sup>th</sup>, 2020**

**MEETING MINUTES**

*Due to the Coronavirus (COVID-19), Federal and State emergency bans on large meetings or gatherings, and pursuant to Governor Cuomo's Executive Order 220.1, issued on March 12, 2020 suspending the Open Meetings Law, this COIDA Board of Director's Meeting was held via video conferencing, instead of an open meeting for the public to attend. Members of the public were given instructions on how to join the meeting.*

**CALL TO ORDER**

Chairman, Jeffery Joyner, called to order the meeting of COIDA at 8:00am via video conferencing app GoToMeeting. M. Marino conducted roll call and determined there was a quorum. Voting members present electronically included:

Jeffery Joyner  
Patricia Kennedy\*  
Andrew Marietta  
Craig Gelbsman  
Joshua Edmonds

David Rowley  
Cheryl Robinson  
Jeffrey Lord  
Tom Armao

Absent Board Member(s):

Also, in attendance:

**STAFF**

Jody Zakrevsky, **CEO**  
Meaghan Marino, **Dir. of Finance and Administration**

**COUNSEL**

Kurt Schulte, **Agency Counsel**  
Joe Scott, **Bond Counsel**

\*Departed before end of meeting

**CHAIRMAN'S REMARKS**

Chairman, J. Joyner, welcomed fellow board members, counsel, staff, and guests.

**MEETING MINUTES**

J. Joyner presented the meeting minutes from the August 27<sup>th</sup> COIDA board meeting. Board members were given a copy of the minutes prior to the meeting for review. D. Rowley made a motion to approve the

meeting minutes. The motion was seconded by J. Lord, and it was approved by the remaining members present.

## **BILLS & COMMUNICATIONS**

J. Lord reviewed the bills and deposits since the September 10<sup>th</sup> Audit & Finance Committee meeting. Most of the expenses were normal operating expenses, but J. Lord did point out that there was a corrected payment made to the Cooperstown School District, the Town of Otsego, and the County on behalf of Cooperstown Center's PILOT payments. He also noted the final payment to the MRB Group for the Railyards Master Plan update. D. Rowley made a motion to pay the expenses listed. C. Robinson seconded the motion and it was approved by the remaining members.

## **COMMITTEE REPORTS**

- ❖ **Audit & Finance** – The Audit & Finance Committee meeting was held on September 10<sup>th</sup>. J. Lord deferred the Board to the draft September 10<sup>th</sup> Audit & Finance minutes as a report of the Committee.
- ❖ **Governance Committee** – Governance Committee meetings are held quarterly. As such, there was not a Governance Committee meeting in September.
- ❖ **Projects Committee** – The Projects Committee meeting was held on September 10<sup>th</sup>. C. Robinson deferred to the September 10<sup>th</sup> Projects Committee meeting minutes as a report of the Project Committee meeting. She did note that there was a discussion, in that meeting, on staffing and possibly planning for next year.

## **NEW BUSINESS / UNFINISHED BUSINESS**

- **139 Commerce Road** – J. Zakrevsky noted that there are two potential parties interested in this building, owned by the IDA. There was a brief discussion on the potential buyers and their uses.
- **Systematic Power Manufacturing d/b/a IOXUS** – J. Zakrevsky reviewed the latest updates on the Systematic Power Manufacturing (SPM) project. They would like to move forward with expanding the building and are exploring different options to do so this fall, as they expect production to increase. They have added 4 new employees and anticipate adding 3-4 more. It's possible that they will extend their lease for the building with the IDA for another year, while they get their finances in order. We were moving ahead with a PILOT agreement and sales tax exemption for them, but by them leasing the building, and not purchasing the building, it puts a hold on those agreements. Joe Scott indicated that he would reach out to their counsel to get a clearer understanding of what their timeline is and how they intend to proceed. J. Lord asked what is the impact of SPM resigning the lease? J. Zakrevsky noted that the company has already received a \$1million dollar Excelsior tax credit from New York State, which is predicated on SPM purchasing the building, so it also puts that award in question. There was further conversation on the future of SPM, and how it affects their grant options and the IDA. J. Zakrevsky also discussed a consent and waiver agreement, for the IDA to sign, should SPM continue to lease the building, which is being required by the bank that is doing Small Business Development loan guarantee, for their equipment purchase. The document is requesting permission to go into the IDA-owned building and remove the equipment should SPM default on their loan. J. Zakrevsky and J. Scott reviewed the document prior to the meeting, and discussed some of their concerns with it. For instance, there is not language in the document indemnifying the IDA if someone from the bank gets hurt while on IDA property, or if there is any

damage done to the building. There is also confusing language stating that SPM doesn't have to pay rent so long as they are not making a profit. Prior to signing, J. Zakrevsky would like both attorneys to review further. J. Zakrevsky did request a motion authorizing him to sign the document, after it was reviewed and approved by both IDA counsels.

- **Solar Energy Development** – J. Zakrevsky noted that he was contacted by a group out of Boston, MA. that is looking at potentially building a solar farm in Otsego Co. He advised that he sent them a copy of our PILOT agreement application. They indicated that they have done other solar projects in New York, but not in Otsego Co. If they proceed with the application, this would be the IDA's second PILOT with a solar project, but it would be the first solar project that would require the board to have discussion of what the PILOT would look like, and whether it be based on kilowatt hours, as many other communities structure theirs. D. Rowley questioned a change in the regulatory powers, which looked to take away any local control over siting, and has the potential to be controversial. He asked for further clarification from J. Scott. J. Scott noted that the IDAs that his firm works with throughout the State have taken a varying position when it comes to solar. Some will not do solar projects, while other are more promotive of these projects. He went to confirm D. Rowley's point, that New York, through the Article 10 proceedings, is trying to streamline and create a more uniform/efficient process, with respect to solar projects. Some of the tensions arise with the use of valuable farmland, and IDA's concerns over the annual report to the office of the state Comptroller, and the fact that there are little to no jobs created when it comes to solar projects. D. Rowley also noted that one thing that could potentially come out, on a County level, is that solar projects not be able to be built on agricultural land. He advised that this might make sense in the future, but may not make sense to local farmers who would profit from leasing or selling their land to these developers. J. Zakrevsky noted that the company who inquired about the PILOT program, has a reputation for building solar projects on top of parking structures, so he is anxious to see their application, if filed.
- **Richfield Springs Business Park** – J. Zakrevsky advised the board that there is a meeting scheduled in Richfield Springs in the next couple weeks to meet with Keystone Engineers, Andela Products, and local leaders to discuss the creation of the water/sewer district between the Town and the Village.
- **Potential Meat Processing Facility** – J. Zakrevsky advised that he met with an individual who is interested in potentially buying an existing meat processing facility in Otsego County, and he was referred to them through CADE. He is awaiting a draft of their business plan for the operation, and noted that this would be the third meat processing facility that our office has worked on. J. Joyner asked where the facility is located, but due to the public meeting, J. Zakrevsky noted that the buyer has asked that information regarding the sale of the potential business be kept confidential for the time being.
- **Corning PILOT** – J. Zakrevsky updated the group on ongoing conversations between him and the County's Real Property office. Originally, Corning was not reassessed by the City of Oneonta property accessor, but about a week ago, the City's assessment review board increased the assessment of Corning's property by \$500,000. Both Corning, and the Real Property office, have indicated that they would prefer the IDA take responsibility for taking the entire parcel off the tax rolls and then reassessing the property based on the PILOT agreement. They would also like the IDA to send out the tax bills to Corning, and distribute it to the local taxing jurisdictions (school district, city, and county). Currently, Corning gets a bill from the three separate offices, and pays them individually, but they would rather get one bill from our office. J. Zakrevsky agreed with method of payment, as it is an easier way for our office to track PILOT payments and report to the State's Comptroller's office, as opposed to having to get the information directly from Corning or the taxing jurisdictions. J. Lord asked that if we take that step forward, to administer the tax payments since its not something we do with most of our PILOTs, does it open the door for additional administrative fees. J. Zakrevsky advised that he hopes so, but its unclear.

- **Marketing Campaign** – J. Zakrevsky updated the board on the ongoing marketing campaign. Paperkite made a preliminary presentation to us regarding the updated landing page. After the presentation, he, M. Marino, and Chris Querea (consultant on the project from Vibrant Brands) met to discuss the presentation and possible changes. M. Marino added more information on the presentation regarding the targeted social media ads and the two types of campaigns they're working on; one is lifestyle is more targeted to people moving here to work from home or to relocate their families, and the other campaign is geared more towards businesses, and moving their ventures to our area. Both are very similar in design, but different depending on who they are geared towards.
- **2021 Budget** – J. Zakrevsky noted how difficult this budget has been to work on, than previous years. The reason being that there are so many variables; such as Systematic Power Manufacturing and their plans this year, whether we sell 139 Commerce to one of the potential buyers, whether the Halal Meat Processing will move forward with the purchase of IDA-owned land for their facility, etc. He noted that he is taking a conservative approach, and at the present time, he is showing a surplus of approximately \$34,000. He anticipates getting the draft 2021 budget to the Audit & Finance Committee next week, for them to review prior to the committee meeting next month. A. Marietta suggested that J. Zakrevsky attend the County's IGA Committee meeting this month, as there was a discussion about the County potentially taking Southern Tier 8's and MVEDD's memberships out of their 2021 budget; \$5,000/each. There was a question whether the IDA would pick up those cuts, as the IDA matches the County's contribution (each firm receives \$10,000 from the County; \$5,000 from IDA and \$5,000 from the County directly). J. Zakrevsky noted that the County Planner reached out to him about contacting MVEDD to see what the impact would be. He commented that he originally thought the implication might be that our County would be dropped from their organization, but MVEDD advised no, they would still continue projects in our County. A. Marietta questioned Southern Tier 8's position since a member of the County board sits on their board, but J. Zakrevsky advised that he hasn't spoken to Jen Gregory on this issue and assumes the County Planner reached out directly, as he didn't ask J. Zakrevsky to. D. Rowley clarified that the draft budget is currently showing a surplus of \$34,000 in a "worst case scenario" and not assuming revenue for funds that aren't guaranteed yet. J. Zakrevsky confirmed, and reminded the board of the \$180,000 in grant reimbursements that were supposed to come in in 2020, but required more MWBE utilization which was dependent on the Railyards Master Plan update with the MRB Group and Elan 3. Now that the plan is complete, we should anticipate those funds in 2021. However, he did drop the amount, as he cannot guarantee that the state will honor the full amount, due to their own fiscal crisis.
- **3<sup>rd</sup> Round of PPE Applicants** – M. Marino reviewed the 3<sup>rd</sup> round of PPE recovery fund applicants. In the 3<sup>rd</sup> round, the request for funds totaled \$3,285.87. J. Lord asked what we have funded thus far and how much remains in the fund. Between the three rounds, the IDA has funded \$14,599.72, and there is \$35,400.28 remaining for additional assistance. She noted that originally the program was set to end on September 30<sup>th</sup>, but with over \$35k in remaining funds, it is unlikely that we will use those funds before then. She asked the board if they had any ideas about possible uses for the remaining funds, or if they'd consider opening up the applications to businesses to apply again if they require another round of PPE. A. Marietta suggested that we take the conversation to the next Projects Committee meeting in October. D. Rowley questioned if there was a timeline that the \$25,000 from the Community Foundation had to be spent by. A. Marietta said there wasn't one, and M. Marino noted that the when making the application for the funds, the agency though that the \$50,000 would be used by September 30<sup>th</sup>, so that was the reason they chose that date.

# RESOLUTIONS AND MOTIONS

## Systematic Power Manufacturing, LLC. d/b/a IOXUS – Consent and Waiver Document

**RESOLUTION: Authorizing Otsego Now’s CEO to Sign a landlord’s Consent and Waiver Agreement with Regions Bank of Alabama on Behalf of Systematic Power Systems**

WHEREAS, Systematic Power Systems has applied to a Lender for a U.S. Small Business Administration (“SBA”) guaranteed loan (the “Loan”) which will be secured by certain personal property of Borrower, including, without limitation, furniture, fixtures, equipment, inventory, machinery, chattel paper, accounts, instruments, general intangibles; and

WHEREAS, Systematic Power Systems, as the borrower and/or tenant operates its business on the Premises located at 18 Stadium Circle in Oneonta, New York, which is owned by the County of Otsego Industrial Development Agency (IDA) and the collateral is or will be located on the premises, and

WHEREAS, Systematic Power Systems has pledged and granted a security interest in and to the Collateral to Regions Bank as security for the Loan; and

WHEREAS, Region’s Bank requires the IDA to sign a consent and waiver agreement as required by the Small Business Administration; and

WHEREAS, the IDA’s general Counsel and the IDA’s special Counsel have reviewed and made changes to the Landlord’s Consent and Waiver Agreement; now therefore be it

RESOLVED, after approval by the Agency’s Counsel, that the Chief Executive Officer of Otsego Now is hereby authorized to sign such agreement with Region’s Bank.

A. Marietta made a motion to approve J. Zakrevsky signing the Consent and Waiver Document pursuant to a review and approval from IDA attorneys. D. Rowley seconded the motion and it was approved by remaining members.

## Cooperstown Foundation/Otsego Now PPE Recovery Fund – 1<sup>st</sup> Round of Applicants

Cooperstown Food Pantry	Cooperstown	\$491.87
Catskill Eyecare Associates	Oneonta	\$294
Village of Richfield Springs	Richfield Springs	\$500
Fly Creek Cider Mill	Cooperstown	\$500
A&D Transport Services	Oneonta	\$500
Oneonta World of Learning	Oneonta	\$500
Empire House Hotel, LLC.	Gilberstville	\$500
	<b>Total Requested Funding</b>	<b>\$3,285.87</b>

A. Marietta made a motion to approve funding for the 3<sup>rd</sup> round of PPE Recovery Fund applicants. D. Rowley seconded the motion, and it was approved by remaining members.

## PUBLIC COMMENT

There were no public comments.

## ADJOURNMENT

There being no further business to discuss, D. Rowley made a motion to adjourn the meeting. C. Robinson seconded the motion, and the meeting was adjourned at 8:44a.m.

## **UPCOMING MEETING SCHEDULE**

- COIDA/OCCRC Audit & Finance Committee Meeting / Projects Committee Meeting – October 8<sup>th</sup>, 2020 at 8:00am
- COIDA/OCCRC Board Meeting – October 22<sup>nd</sup>, 2020 at 8:00am.

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