

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

**PROJECTS COMMITTEE
October 8, 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/OCCRC Projects Committee 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

The COIDA's and OCCRC's joint Projects Committee meeting was called to order at 8:22am via video conferencing app, GoToMeeting. Committee members present were:

Cheryl Robinson
Patricia Kennedy*
David Rowley
Jeffrey Lord
Joshua Edmonds

Tom Armao
Andrew Marietta
Jeffery Joyner*
Craig Gelbsman

Also, in attendance:

STAFF

Jody Zakrevsky, **CEO**
Meaghan Marino, **Dir. of Finance and Admin.**
Kurt Schulte, **Agency Counsel**

*departed before the end of meeting

CHAIRMAN'S REMARKS

Projects Chair, Cheryl Robinson, welcomed committee members and staff, and moved immediately into the agenda.

MEETING MINUTES

C. Robinson requested a motion to approve the September 10th 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, D. Rowley made a motion to approve the meeting minutes. P. Kennedy 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 September Board 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:

- **Andela Products** – J. Zakrevsky noted the difficulty with the schedule for the final design, construction management RFPs, management of the grant administration, preparation of bid documents, bond anticipation note, permits, etc, and the amount of work that will need to be done in the timeline required by EDA. They anticipate construction to begin by May 28, 2021. J. Zakrevsky has a meeting next week with Cynthia Andela, Keystone Engineers, and local leaders from Richfield Springs to discuss the creation of the water and sewer districts. He also noted that he has requested an estimate from Keystone Engineers for their work on the bid documents for this project. Much of the work done by Keystone Engineers on this project was funded by the County with program income, and there is still approximately \$15,000 leftover for the Richfield Springs Business Park project that has not been utilized. C. Robinson questioned J. Zakrevsky's confidence in being able to get the work completed prior to construction in May. J. Zakrevsky said he will probably have a better answer after the meeting next week in Richfield Springs. J. Lord asked for a refresher on the scope of the project. J. Zakrevsky explained that the scope is to extend water/sewer, natural gas, and entrance roadways into the parcel of land owned by the IDA in Richfield Springs. J. Lord asked if this project was tethered to other projects. J. Zakrevsky advised that the ESD grant and the EDA grant are for the buildout and not job creation, so if Andela Products was not to move ahead with their project, we could still get the park shovel-ready. J. Lord asked if there was any other interest in this park beyond Andela Products. J. Zakrevsky advised, not at this time, but that is a concern, because the original idea was that Andela Products would buy the parcel, and that would offset the IDA's cost for the water/sewer/roadway costs. J. Lord asked if we've done a safety net proforma that outlines if we move forward with the buildout and Andela's project does not move forward, where that leaves us. J. Zakrevsky advised that we are moving forward with the buildout because of the commitments from Andela, but if we're not comfortable when it's time to go out for construction bids, then we won't move forward with the project. J. Edmonds asked if there is a way to get a contractual commitment from Andela that they are moving forward with their project. J. Zakrevsky advised that there is a letter of intent that was accepted by EDA in the grant application, however, many of Andela's discussions with the banks for financing has ceased due to COVID-19, although business for Andela is starting to pick back up. C. Robinson requested two different project trackers; one for the buildout project and one for Andela's project, so that the board is able to see the numbers associated with each separately. T. Armao asked that if the grants are unrelated to job creation, is there a reason that we wouldn't go ahead and buildout the park to get it shovel ready for another potential business. J. Zakrevsky advised that would go back to how much money this agency wants to put into the park, but he will work on numbers for bonds and interest rates to determine if the IDA can afford to carry those costs. Determining that goes back to some of the 2021 budget issues outlined in the October Audit & Finance Committee meeting. While outlining the budget issues, J. Zakrevsky also noted

that although the agency received the \$325,000 award for the buildout of the park, there has been no formal commitment sent from ESD on any awards from 2019, due to the state's own fiscal crisis. The State has advised that they are still honoring these awards, but without an Incentive Proposal from ESD, we are not guaranteed that we will receive those funds.

- **Rail Yards** – J. Zakrevsky noted that he would like to start focusing on the 3-acre lot on Roundhouse Road, that is seemingly separated from the other IDA-owned land (most land is past Noah's World, this plot is before it). This plot could easily be made available to prospective buyers, so J. Zakrevsky has spoken to a few contractors about estimate ideas for clearing the land of vegetation and concrete debris. C. Robinson asked how this fits into the master plan that was done by the MRB Group. J. Zakrevsky advised that it still fits with the master plan, as that plot of land is separated from the rest of the land and could be easily focused on first. In the master plan, a 20,000sqft. building was imagined on this plot.
- **Custom Electronics** – The expansion of Custom Electronics should be complete by the end of December '20. They are currently putting in the final pieces of equipment and are almost finished with the upgrades to their Winney Hill facility, which allows them to move some of their operation there. J. Zakrevsky advised that he will likely upgrade the project tracker to reflect cluster development of electronics, as BeTerrific Tech has decided to close its NJ operation and move to Oneonta. C. Robinson questioned what J. Zakrevsky and M. Marino would be doing to make that a project, as opposed to Custom Electronics expanding their business ventures and getting more partners in the area, and are there other things on our plate that might require more attention. J. Lord noted that he thinks the cluster development should be a joint effort on the part of the IDA and Custom Electronics, to help them with vendors, supply chains, affiliated clients, etc.

NEW/UNFINISHED BUSINESS

- **Brooks Bottling** – Brooks is currently in the process of purchasing land adjacent to their existing facility. J. Zakrevsky sent them a PILOT agreement application, as they advised that they would like to receive PILOT benefits for their expansion. They also indicated that they would be interested in exploring any grant opportunities that might be available for the project. J. Zakrevsky will meet with them in the coming weeks to discuss the full scope of their plans, and bring more information back to the board. J. Lord asked about the parcel that Brooks intends to purchase and if it will include one of the buildings on the property, or all of them, and how buying income producing properties would affect their ability to obtain grants. J. Zakrevsky indicated that he won't know the extent of the project until he meets with him on October 21st. However, if he is purchasing income-producing properties, it is still a doable project for grant financing, it would just have to be noted in his cash-flow projections. D. Rowley asked if there have been any further discussions regarding the Town of Oneonta extending the water/sewer district out past the Brooks facility. J. Zakrevsky added that there have been no discussions, as of late, but the Town Supervisor has been in favor of extending water/sewer to their facility in the past.
- **Ommegang** – Ommegang has been hit extremely hard by COVID-19. J. Zakrevsky spoke with their CFO, based out of Kansas City, and he indicated that Ommegang is making a strategic decision as to whether they should keep their Cooperstown facility open or consolidate everything in Kansas City. This comes not just because of a lack of attendance at their Cooperstown plant, but a lull in business at bars all over the state. Their decision would be to cease bottling production

and expand the Cooperstown facility (at a cost of \$800,000-\$1million) to expand their canning operation, or to move everything to Kansas City, where they already have one of the largest canning operations in the Country. They have requested any information on financial assistance that New York can provide to better make this decision. J. Zakrevsky reached out to Empire State Development, but as of now, has not heard back. He also reached out to local leaders, who expressed concern over the prospect of Ommegang shutting down their facility. J. Lord asked what their employment level is currently. J. Zakrevsky indicated that last year they had approximately 35 people, and they are now down to 20. The CFO indicated that even if they kept their canning operation in Cooperstown, it's likely that they would only had 1-2 more employees.

ADJOURNMENT

There being no further business to discuss, D. Rowley made a motion to adjourn the projects committee meeting at 8:57am. J. Lord seconded the motion, and it was approved by remaining members.

UPCOMING MEETING SCHEDULE

The next Projects Committee meeting will be held on November 8th, 2020 at 8:00am.