

**COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY**  
**February 25<sup>th</sup>, 2021**

**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, J. Joyner, called to order the meeting of COIDA at 8:01am via video conferencing app GoToMeeting. M. Marino conducted roll call and determined there was a quorum. Voting members present electronically included:

Jeffery Joyner  
Jeffrey Lord  
Patricia Kennedy\*  
Andrew Marietta  
Joshua Edmonds

David Rowley  
Craig Gelbsman  
Cheryl Robinson  
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, **Hodgson Russ**

\*Departed before end of meeting.

**CHAIRMAN'S REMARKS**

Chairman, J. Joyner, welcomed fellow board members and moved immediately into the agenda.

**MEETING MINUTES**

J. Joyner presented the meeting minutes from the January 28<sup>th</sup> COIDA board meeting. Board members were given a copy of the minutes prior to the meeting for review. J. Lord made a motion to approve the meeting minutes. The motion was seconded by T. Armao and it was approved by the remaining members present.

## **BILLS & COMMUNICATIONS**

M. Marino reviewed the bills and deposits since the February 2<sup>nd</sup> Audit & Finance Committee meeting. She noted that most of the bills are normal operating expenses. She pointed out that BST is increasing their cost by \$50/month to \$900/month for the IDA's CFO fees. She also noted that there was a larger than usual expense from BST, and that is because the CFO spent more time in the office in January closing out the year and preparing for the 2020 financial audit. For deposits, M. Marino noted that we were reimbursed \$24,000 for the Route 205 Traffic Study grant by Empire State Development. ESD advised the IDA that they were withholding 20% (or \$6,000) for the time being, and have not given a timeframe of when those funds would be released. D. Rowley noted the change in rent from Congressman Delgado's office and asked when they would be moving into the larger office. M. Marino advised that she had a conference call with Congressman Delgado's staff and they hope to start moving in by March 1<sup>st</sup>. D. Rowley made a motion to approve paying the bills listed. J. Lord seconded, and it was approved by remaining members.

## **COMMITTEE REPORTS**

- ❖ Audit & Finance – The Audit & Finance Committee meeting was held on February 2<sup>nd</sup>, 2021. J. Lord was absent from that meeting and asked that board members review the draft February 2<sup>nd</sup> Audit & Finance meeting minutes as a report of the Committee. He did note an error in the draft minutes and asked M. Marino to amend prior to approval at the next Audit & Finance meeting.
- ❖ Governance Committee – Governance Committee meetings are held quarterly. There was no Governance meeting in February. The next meeting will be in April, 2021
- ❖ Projects Committee – The Projects Committee meeting was held on February 2<sup>nd</sup>, 2021. C. Robinson deferred the board to the draft February 2<sup>nd</sup> Projects Committee meeting minutes as a report of the Project Committee meeting.

## **NEW BUSINESS / UNFINISHED BUSINESS**

- **Burr Truck Lease/139 Commerce Road** – J. Zakrevsky noted that at the Projects Committee meeting, the Committee asked Kurt Schulte, agency counsel, to look over the prior lease held by Hale Transportation and recommend any changes for the new tenants. Changes he recommended included; the purchase option, which originally had a purchase price of \$725,000, which was based on an appraisal done over three years ago. The updated language advises that the purchase price will be based on an updated appraisal of the building. The second change was the use of the lease premises, which was amended to advise that it would be used exclusively for transportation operations and not for the accumulation of storage or abandonment of garbage, etc. The third change regarded insurance coverage for the property being held by the tenant. The language advised that the tenant shall maintain insurance against damage, loss of the building for the full replacement. C. Robinson had pointed out (prior to the meeting) that some insurance companies may not provide this type of coverage to the tenant, as they are not the owners of the premise. T. Armao noted that he currently holds insurance on his company's building that he leases. C. Robinson noted that she isn't positive on the commercial side, but there is no insurable interest, but she's unsure if the option to purchase, if that creates the insurable interest. C. Gelbsman suggested that the IDA pay the insurance and factor the cost into the lease, as it's the easiest way to make sure the building is insured and cover the costs. There was a brief discussion, with legal involved, over the best way to handle the insurance coverages for this lease. It was determined that J. Zakrevsky should consult with our current insurance broker,

see what they recommend, and move forward with the language in the lease. J. Lord noted that the lease also calls for the tenant to cover the costs of an appraisal, by an appraiser approved by the IDA, if they choose to exercise the option to purchase option. He recommended adding the language, “engaged by the IDA”, as he would prefer the IDA be the client of the appraiser and not the tenant. Board members agreed with this addition of language to the lease.

- **Corning** – J. Zakrevsky spoke about the most recent PILOT application from Corning for phase 3 of their expansion. The project cost is approximately \$14.7million, but there is a question of how the tax assessor may assess the improvements of the project. Approximately \$5.2million is for the 13,600sqft building expansion on their current facility, and based on the numbers comparing the 485b tax exemption to the IDA’s PILOT program (using \$2million as the increased tax assessment), it shows that 485b would be more advantageous to Corning. The remainder of the project costs is for new equipment for the facility. J. Zakrevsky and J. Lord, treasurer, spoke about this prior to the meeting and discussed a \$6,000 cap on the annual PILOT fee paid to the IDA. With this cap, it makes the IDA’s PILOT more advantageous than the 485b. With this, J. Zakrevsky recommended the board to pass a resolution to cap the annual PILOT fee paid by Corning to \$6,000, for this project only. Corning has already agreed to this. J. Scott, bond counsel, added that this circumstance is unusual, in that the project size is large (above \$14million), so the administrative fees for the project are on the higher side, but the impact on the assessed value is relatively small. Therefore, when you do the math, it’s a tight presentation byway of showing the benefits the IDA can provide. He noted that the cap on the annual fee is a reasonable solution and, based on the language in the resolution, it doesn’t set a precedent for future applicants. The 1% upfront fee to the IDA, based on the entire project cost, will not change. One issue, J. Zakrevsky pointed out, is that it’s unclear what the tax assessor will assess the improvements at. He noted that he has made several calls/emails to the City assessor with no response. C. Gelbsman asked if the annual fee had to be written into the resolution, or if the IDA can wait until we see what the increased tax assessment will be. J. Zakrevsky noted that would probably be the simplest way, but it would leave a question in the air for the applicant of what the 1% upfront fee and what the annual fee (generally 7% of the upfront fee) would be.
- **PPE 6<sup>th</sup> Round Recovery Fund Applicants** – M. Marino provided members with a list of the 6<sup>th</sup> Round applicants for the Recovery Fund. The total amount of funding requests for this round was \$5,500, leaving approximately \$29,000 in available funding. D. Rowley noted that he had spoken with M. Marino and the Community Foundation, prior to the meeting, regarding the lack of perceivable interest in the program. He recommended to the board raising the grant amount from \$500 to \$1,000. M. Marino suggested that if the board raise the amount of the award, she be able to go back to past recipients and give them the opportunity to apply for additional funding to bring their total award to \$1,000. A. Marietta suggested waiting on increasing the award for another month, as he doesn’t think enough businesses in the County are aware that the board added working capital as eligible expenses for reimbursement. He suggested with an increased push on promoting the working capital reimbursement. D. Rowley asked if applicants from the 6<sup>th</sup> round were providing PPE receipts, or working capital. She advised that most were working capital, but some businesses provided PPE expenses for reimbursement. J. Edmonds agreed that if the award is raised, it makes sense to go back to the past businesses first. A. Marietta noted that we just added the working capital provision a month ago and haven’t given it enough time, when we sat on the PPE provision for months. T. Armao noted that even by going back to past recipients were still getting the money out to businesses that need it, instead of continuing to sit on it where it isn’t helping anyone.

## RESOLUTIONS AND MOTIONS

### **Corning – Cap on the Annual PILOT Fee for Corning Project**

Resolution: Capping the Industrial Development Agency Annual Pilot Fee for Corning Project

WHEREAS, Corning has submitted a Pilot Application to the Industrial Development Agency for a \$14.7 million dollar expansion at its facility in Oneonta, NY, and

WHEREAS, after comparing the benefits which Corning would receive under Section 485b of the NYS Tax Code versus the standard Pilot benefits of the Industrial Development Agency; and

WHEREAS such a comparison shows that Corning would be financially better off in filing for the benefits under Section 485b of the NYS Tax Code due to the 7% annual fee associated with the IDA's Annual Pilot Payment; now therefore be it

RESOLVED, that for this expansion the Annual Pilot Payment be capped at \$6,000 annually.

D. Rowley made a motion to approve capping the annual PILOT fee to \$6,000/year for the Corning Project. J. Lord seconded the motion, and it was approved by remaining members.

### **Cooperstown Foundation/Otsego Now PPE and Working Capital Recovery Fund – 6<sup>th</sup> Round of Applicants**

Tin Bin Alley	Cooperstown	\$500
Colonial Ridge Golf Course	Morris	\$500
Prolifig	Edmeston	\$500
Pioneer Sports Cards	Cooperstown	\$500
Johnston & Stanimer Funeral Home	Morris	\$500
Mac's Barber Shop	Oneonta	\$500
Richfield Springs Community Food Cooperative	Richfield Springs	\$500
Cassidy's Diner	Richfield Springs	\$500
Integrative Structural Therapies	Cooperstown	\$500
VMG Enterprises, LLC.	Richfield Springs	\$500
All About the Girls	Cooperstown	\$500
	<b>Total Requested Funding</b>	<b>\$5,500</b>

C. Gelbsman made a motion to approve funding for the 6<sup>th</sup> round of PPE and Working Capital Recovery Fund applicants. D. Rowley seconded the motion and it was approved by remaining members. C. Robinson abstained from the vote.

### **Increase in Award Amount to \$1,000 for PPE and Working Capital Recovery Fund**

A resolution to increase the award amount of the PPE and Working Capital Recovery Fund from \$500 to \$1,000. An effort would be made to reach out to all past applicants to afford them the opportunity to apply for additional funding up to \$1,000. Any funds remaining at the end of this endeavor would be allotted to new businesses/ applicants.

D. Rowley made a motion to increase the award amount to \$1,000 and make the additional funding available to past applicants. T. Armao seconded the motion, and it was approved by remaining members. A. Marietta voted no to the resolution.

## **PUBLIC COMMENT**

There were no public comments.

## **ADJOURNMENT**

There being no further business to discuss, D. Rowley made a motion to adjourn the meeting at 8:52am.

## **UPCOMING MEETING SCHEDULE**

- COIDA/OCCRC Audit & Finance Committee Meeting / Projects Committee Meeting – March 11<sup>th</sup>, 2021 at 8:00am
- COIDA/OCCRC Board Meeting – March 25<sup>th</sup>, 2021 at 8:00am

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