

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY

January 28th, 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 8:02am 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**
Chris Canada, **Hodgson Russ**

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 December 17th 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 P. Kennedy and it was approved by the remaining members present.

BILLS & COMMUNICATIONS

M. Marino reviewed the bills and deposits since the January 14th Audit & Finance Committee meeting. She noted that most bills were normal operating expenses. The IDA did its first drawdown request for reimbursement for the County's Microenterprise grant program. M. Marino noted that the County received the reimbursement check and, instead of sending the funds out to the three businesses, they opted to send the funds directly to the IDA. The checks for the three businesses were listed under expenses and the funds from the County were listed under the deposits. D. Rowley made a motion pay the bills presented. The motion was seconded by J. Edmonds and it was approved by the remaining members present.

COMMITTEE REPORTS

- ❖ **Audit & Finance** – The Audit & Finance Committee meeting was held on January 14th. J. Lord asked that board members refer to the draft January 14th Audit & Finance meeting minutes they were provided as a report of the Committee.
- ❖ **Governance Committee** – The Governance Committee meeting was held on January 14th. J. Joyner asked that board members refer to the draft Governance Committee meeting minutes that were provided as a report of the Committee.
- ❖ **Projects Committee** – The Projects Committee meeting was held on January 14th. C. Robinson deferred the board to the draft January 14th Projects Committee meeting minutes as a report of the Project Committee meeting. C. Robinson also noted that if members haven't had a chance to read through the minutes to do so and provide J. Zakrevsky with feedback regarding the priority projects for 2021.

NEW BUSINESS / UNFINISHED BUSINESS

- **Increasing Healthcare Stipend for Director of Finance and Administration** – J. Zakrevsky noted that the board had received a resolution to increase the stipend for healthcare coverage provided to M. Marino. Both the Audit & Finance Committee and the Governance Committee approved the increase, so he asked the board to move on the resolutions but to table it for the time being. J. Zakrevsky noted that since the Committee meetings there have been indications that M. Marino's healthcare costs would remain the same as 2020. C. Gelbsman questioned why there was a need for a resolution for this item. J. Zakrevsky explained that, if there is a need to increase M. Marino's healthcare stipend, the IDA's payroll company will require verification that the board approved the increase, as opposed to J. Zakrevsky making the decision on the agency's behalf.
- **NYS ESD Policy Regarding Reimbursement for Grants** – J. Zakrevsky advised the board that we received notice from Empire State Development that they are withholding 20% of any reimbursement requests. J. Zakrevsky noted that in creating the 2021 budget, out of the \$180,000 in expected reimbursements, he only budgeted for \$130,000 in anticipation that ESD would potentially do this. He also noted that ESD has not advised when the remaining 20% would be released.
- **Corning** – J. Zakrevsky advised that we received a preliminary PILOT application from Corning for the third phase of their expansion. Late last night, J. Zakrevsky received a call from Corning asking for a last-minute Sales Tax Exemption for a piece of equipment needed as part of that expansion. J. Zakrevsky reached out to bond counsel, Joe Scott, for a conference call with Corning, and Joe Scott send out resolutions for the exemption for board members to review. C. Canada joined the meeting, on behalf of Joe Scott, to answer any board member questions on the resolutions. J. Zakrevsky

explained that there are two resolutions; one to set a public hearing for the project, and the other is an agent resolution allowing Corning \$99,000 in sales tax exemptions. The IDA can grant sales tax exemptions, without a public hearing, so long as the amount is under \$100,000. We would schedule the public hearing for February and come back to the board, once we have the final PILOT application, and go through the normal process. Given Corning's past expansions, and the potential for a fourth-phase expansion in Otsego County, J. Zakrevsky recommended that the board move forward with the resolutions. C. Gelbsman questioned why the sales tax exemption was coming from Otsego County and not Steuben County, where Corning's headquarters is located. J. Zakrevsky explained that each of Corning's plants has their own budget, and while the equipment may be ordered through headquarters, the funds will come out of the Oneonta plant budget. C. Gelbsman noted that the sales tax exemption is a lot for our County, and though Corning may deserve it, we should pass it off to Steuben County if we can. T. Armao asked what our county is giving up if they aren't going to pay the sales tax one way or the other; either in Otsego Co. or Steuben Co. C. Gelbsman noted that the difference is that we're voting on it locally, and other businesses have to pay sales tax on their equipment. J. Edmonds noted that generally with PILOTs or sales tax exemptions, the business is giving back to the County with added jobs. He asked if Corning is doing that as part of phase 3 or 4 of their expansion. J. Zakrevsky noted that with the phase 3 expansion, Corning is anticipating 5 new jobs (per their preliminary application). The anticipated phase 4 expansion there would be substantially more jobs created. J. Zakrevsky noted that within the phase 3 application, Corning would add on approx. 13,500sqft. to their existing plant, but the bulk of the project funds would go to upgrading their existing equipment to accommodate future growth. Phase 1 of their project, done a couple years ago, was an upgrade to the electric and HVAC systems to bring their plant up-to-date, and laid the groundwork for phase 3. C. Robinson echoed J. Edmonds statements that the reason for the board approving these resolutions is because they're tied to larger projects and job creation, but by separating these resolutions from those, is the board setting a precedent that there are no consequences if phase 3 or phase 4 doesn't move forward and the board has already granted a sales tax exemption. C. Canada noted that the agent resolution, that the board is voting on, has language about the exemption being part of a project that is an addition to an existing facility (phase 3) which is the project outlined in the preliminary PILOT application. The sales tax exemption is being provided early, but it's still part of the normal PILOT process happening in the next couple months. J. Edmonds asked what would happen if Corning did not move forward with phase 3 of the project and the board had approved this early sales tax exemption. J. Zakrevsky advised that we could recapture the sales tax. The board voted on both resolutions at the same time.

- **PPE Recovery Fund** – D. Rowley brought up the Recovery Fund grant program, as there is still a large portion of money available. D. Rowley has had conversations with M. Marino, A. Marietta, and members of the Cooperstown Foundation (who matched funds with the IDA) about possibly expanding the program to include working capital expenses, as opposed to simply PPE expenses. Beyond working capital, he also asked the board to consider increasing the grant amount to \$2,000. M. Marino asked about opening the program to City of Oneonta businesses, since it hasn't been open to them in this program previously. A. Marietta explained that the City of Oneonta already did a working capital grant, and the rest of Otsego County didn't have that opportunity, so he feels it's best to prioritize those businesses. A. Marietta suggested \$1,000 in order to double the number of businesses being helped, but is open to either. C. Gelbsman suggested keeping the program at \$500 and seeing what applications we get with the addition of working capital expenses. C. Robinson also suggested keeping the grant amount at \$500 and, if there's money left over, allowing businesses to reapply.

RESOLUTIONS AND MOTIONS

Increase in Healthcare Stipend for Director of Finance and Administration

RESOLUTION INCREASING OTSEGO NOW'S CONTRIBUTION TO DIRECTOR OF FINANCE AND ADMINISTRATION'S HEALTH CARE COVERAGE

WHEREAS, because the Director of Finance and Administration's 2019 return has not been processed yet and the State cannot obtain copies of those 2019 tax return transcript to show that form-8962 was filed, the State is increasing the cost of health care coverage and

WHEREAS, the CEO of Otsego Now has recommended the Agency cover the additional cost until a resolution is reached with the State and

WHEREAS, the Finance Committee has made certain recommendations and

WHEREAS, the Governance Committee has made certain recommendation, now therefore be it

RESOLVED, that the Agency will cover the increased costs associated with health insurance coverage for the Director of Finance and Administration by an additional \$3,183.72 raising the yearly allocation to \$6,183.72.

D. Rowley made a motion to increase the healthcare stipend, if needed in the future, for the Director of Finance and Administration. A. Marietta seconded the motion, and it was approved by the remaining board members.

Corning – Public Hearing Resolution

RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER OF COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY TO HOLD A PUBLIC HEARING REGARDING A PROPOSED MANUFACTURING PROJECT TO BE UNDERTAKEN FOR THE BENEFIT OF CORNING INCORPORATED.

WHEREAS, County of Otsego Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 252 of the 1973 Laws of New York, as amended, constituting Section 910-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more "projects" (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Corning Property Management Corp., a Delaware business corporation (the "Applicant") has submitted an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of Corning Incorporated, a New York business corporation (the "Company"), said Project consisting of the following: (A) (1) the acquisition of an interest or interests in an approximately 18.72 acre parcel of land located at 275 River Street in the City of Oneonta, Otsego County, New York (Tax Map No. 299.15-1-10) (collectively, the "Land"), together with the existing improvements located thereon containing in the aggregate approximately 100,000 square feet of space (the "Existing Facility"), (2) the construction of an addition to the Existing Facility to contain approximately 13,000 square feet of space (the "Addition") (the Existing Facility and the Addition collectively referred to as the "Facility") and (3) the acquisition and installation thereon and therein of various machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to be owned and operated by the Company for use as a facility for the manufacture of plastic lab ware and related products and other directly and indirectly related activities; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, pursuant to Section 859-a of the Act, prior to the Agency providing any "financial assistance" (as defined in the Act) of more than \$100,000 to any project, the Agency, among other things, must hold a public hearing pursuant to Section 859-a of the Act with respect to said project; and

WHEREAS, pursuant to Section 859-a of the Act, prior to the Agency providing any “financial assistance” (as defined in the Act) of more than \$100,000 to any project, the Agency, among other things, must hold a public hearing pursuant to Section 859-a of the Act with respect to said project; and

WHEREAS, the Agency desires to provide for compliance with the provisions of Section 859-a of the Act with respect to the Project;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The Agency hereby authorizes the Chief Executive Officer of the Agency, after consultation with the members of the Agency, Agency Counsel and Agency Special Counsel, (A) to establish the time, date and place for a public hearing of the Agency to hear all persons interested in the Project (the “Public Hearing”); (B) to cause the Public Hearing to be held in a city, town or village where the Project Facility is or is to be located, and to cause notice of such Public Hearing to be given to the public by publishing a notice or notices of such Public Hearing in a newspaper of general circulation available to the residents of the governmental units where the Project Facility is or is to be located, such notice or notices to comply with the requirements of Section 859-a of the Act; (C) to cause notice of the Public Hearing to be given to the chief executive officer of the county and of each city, town, village and school district in which the Project Facility is or is to be located to comply with the requirements of Section 859-a of the Act; (D) to conduct such Public Hearing; (E) to cause a report of the Public Hearing fairly summarizing the views presented at such Public Hearing (the “Report”) to be prepared; and (F) to cause a copy of the Report to be made available to the members of the Agency.

Section 2. The Vice Chairman and/or Chief Executive Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 3. All action taken by the Chief Executive Officer of the Agency in connection with the Public Hearing with respect to the Project prior to the date of this Resolution is hereby ratified and confirmed.

Section 4. This Resolution shall take effect immediately.

C. Gelbsman made a motion to approve Corning’s Public Hearing resolution. D. Rowley seconded the motion, and it was approved by remaining board members by a roll call vote.

Corning – Agent Resolution

RESOLUTION APPOINTING CORNING INCORPORATED AS AGENTS OF COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY FOR THE PURPOSE OF UNDERTAKING AND COMPLETING A PROJECT FOR THE BENEFIT OF THE CORNING INCORPORATED.

WHEREAS, County of Otsego Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of 1969 Laws of New York, constituting Title 1 of Article 18 A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 252 of the 1973 Laws of New York, as amended, constituting Section 910-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial and manufacturing facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Corning Property Management Corp., a Delaware business corporation (the “Applicant”) has submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the “Project”) for the benefit of Corning Incorporated, a New York business corporation (the “Company”), said Project consisting of the following: (A) (1) the acquisition of an interest or interests in an approximately 18.72 acre parcel of land located at 275 River Street in the City of Oneonta, Otsego County, New York (Tax Map No. 299.15-1-10) (collectively, the “Land”), together with the existing improvements located thereon containing in the aggregate approximately 100,000 square feet of space (the “Existing Facility”), (2) the construction of an addition to the Existing Facility to contain approximately 13,000 square feet of space (the “Addition”) (the Existing Facility and the Addition collectively referred to as the “Facility”) and (3) the acquisition and installation thereon and therein of various machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be owned and operated by the Company for use as a facility for the manufacture of plastic lab ware and related products and other directly and indirectly related activities;

(B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on January 28, 2021 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, although the lease agreement or installment sale agreement and related documentation (collectively, the “Project Documents”) have not yet been prepared, the Company has indicated to the Agency that the Company desires to commence the Project prior to completion of the Project Documents between the Agency and the Company related to the Project; and

WHEREAS, in order to preserve the sales tax exemption which forms a major portion of the Financial Assistance, the Agency now desires to temporarily formalize its understandings with the Company regarding the undertaking and completion of the Project by the Company as agent of the Agency; and

WHEREAS, pursuant to Section 859-a of the Act, prior to the Agency providing any financial assistance of more than one hundred thousand dollars (\$100,000) to any project, the Agency must hold a public hearing with respect to the project and the proposed financial assistance being contemplated by the Agency; and

WHEREAS, in order to preserve the sales tax exemption which forms a major portion of the Financial Assistance, **said portion of the Financial Assistance not to exceed \$99,000 prior to any approval of the Project by the Agency subsequent to the date of the Public Hearing**, the Agency now desires to temporarily formalize its understandings with the Company regarding the undertaking and completion of the Project by the Company as agent of the Agency;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. In order to preserve the sales tax exemption which forms a major part of the Financial Assistance, **said portion of the Financial Assistance not to exceed \$99,000 prior to the Public Hearing**, and in order to facilitate the commencement of the Project, the Company is hereby temporarily appointed the true and lawful agent of the Agency (A) to undertake the Project, as the stated agent for the Agency, (B) to make, execute, acknowledge and deliver all contracts, orders, receipts, writings and instruments necessary in connection therewith, and in general to do all things as may be requisite or proper for undertaking the Project with the same powers and the same validity as the Agency could do if acting in its own behalf and (C) to pay all fees, costs and expenses incurred in the undertaking of the Project from its own funds, said temporary appointment to terminate on April 15, 2021.

Section 2. The Agency (A) hereby agrees to the temporary appointment of the Company as an agent to undertake the Project and (B) determines to enter into an interim agency and indemnification agreement (the “Interim Agency and Indemnification Agreement”), an interim Section 875 GML recapture agreement (the “Interim Section 875 GML Recapture Agreement”), a uniform agency project agreement (the “Uniform Agency Project Agreement”) and any other documents or certificates required in connection with said appointment (collectively, the “Interim Documents”), the form and substance of which the Chairman, Vice Chairman or the Chief Executive Officer of the Agency is authorized to negotiate and approve.

Section 3. The portion of the Project the subject of the Interim Documents consists of preliminary costs and preliminary equipment purchases, which pursuant to Sections 617.5(c)(25) and (28) of the Regulations, constitutes a “Type II action” (as said quoted term is defined in Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York).

Section 4. The Chairman (or Vice Chairman) or the Chief Executive Officer of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Interim Documents, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in the forms thereof as the Chairman (or Vice Chairman) or the Chief Executive Officer shall approve, the execution thereof by the Chairman (or Vice Chairman) or the Chief Executive Officer to constitute conclusive evidence of such approval.

Section 5. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Interim Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Interim Documents binding upon the Agency.

Section 6. This Resolution shall take effect immediately.

C. Gelbsman made a motion to approve Corning’s Agent resolution. D. Rowley seconded the motion, and it was approved by remaining board members by a roll call vote.

Authorizing PPE Recovery Fund Expenses to Include Working Capital

The Recovery Fund, approved by the Otsego Now board on July 23rd, 2020, was to provide reimbursement to businesses for their PPE expenses due to COVID-19. The board agreed to expand the program to include working capital expenses for businesses to apply for reimbursement. Working capital expenses include, rent, inventory, wages, utility bills, etc. Grant awards will still be available in the amount of up to \$500.

D. Rowley made a motion to approve expanding the Recovery Funds reimbursements to include working capital expenses. A. Marietta seconded the motion, and it was approved by remaining board members.

PUBLIC COMMENT

There were no public comments.

EXECUTIVE SESSION

D. Rowley made a motion to enter executive session with board members only, under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 8:34am for the following reasons: To discuss agency personnel. The motion was seconded by J. Edmonds and approved by all board members present. The board entered executive session at 8:34am.

There was no action taken in executive session.

D. Rowley made a motion to enter back into public session; J. Lord seconded, and all members approved. The board exited executive session at 8:53am and the meeting adjourned.

ADJOURNMENT

The meeting adjourned at 8:53am when the board exited Executive Session.

UPCOMING MEETING SCHEDULE

- COIDA/OCCRC Audit & Finance Committee Meeting / Projects Committee Meeting – February 2nd, 2021 at 8:00am
- COIDA/OCCRC Annual Meeting – February 2nd, 2021 at 8:00am
- COIDA/OCCRC Board Meeting – February 25th, 2021 at 8:00am

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