

OTSEGO NOW



2020 Annual Report

OTSEGO NOW | 189 Main Street – Suite 500, Oneonta, New York 13820

Message from the CEO

2020 has certainly been the year of change and adaptation. Since March, we have had to adapt to conducting business electronically, hold public hearings using video, and participating in recovery efforts and offering new programs to our business community to help them during these difficult times.

And while some of our projects have been delayed, others have taken on with new vigor.



We have launched new digital marketing efforts which previously Otsego Now had not undertaken. We have started to begin much needed infrastructure improvements to build new business parks and install WiFi hotspots for both our businesses and tourists.

And our work with our existing businesses to bring in new businesses to our County have started to see real results.

Still, our core mission to help our existing manufacturing base has never faltered and has grown stronger as we find new financing methods to help them expand.

We also have seen change in our partners in economic development. Rick Hulse, our Board Chairman for several years, decided to retire from the Board. Jeff Joyner, CEO of Fox Hospital, was unanimously appointed as new Chair. Joshua Edmonds of Cooperstown also joined our Board. Longtime Senator James Seward, a strong ally of Otsego Now, announced his retirement from the NYS Senate and is being replaced by another supporter of Otsego Now: Peter Oberacker. And President and CEO of the Otsego County Chamber Barbara Ann Heegan will be leaving the Chamber at the end of this year to go to Greenwood, SC to be near family.

However, while things have changed in 2020, change leads to opportunities. I believe 2021 will be the year of Opportunity.

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Otsego Now
189 Main Street – Suite 500
Oneonta, New York
607-267-4010

2020 Board of Directors



JEFF JOYNER, CHAIR



DAVID ROWLEY, V. CHAIR



THOMAS ARMAO



CHERYL ROBINSON



JEFF LORD, TREASURER



JOSHUA EDMONDS



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.

Welcome

Joshua Edmonds

Appointed by the
Otsego County
Board of
Representative to
Otsego Now
Board of Directors



Joshua was born and raised in Cooperstown, NY, where he remains with his wife, Jaime, and two sons. Josh enjoys the technical aspects of working with his hands, as well as the intellectual stimulation of managing Simple Integrity, LLC., a construction firm. Josh is an avid athlete and active member of his local church. He also volunteers as a technical adviser to Otsego County's Energy Task Force.

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.

COMMUNITY PARTNERS



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)

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

**Otsego Now Contributes to Otsego County Task Force
on Covid-19, the City of Oneonta Survive Then Thrive
Task Force and Partners with the Community
Foundation to Provide PPE Assistance.**

COVID-19 Emergency Response Plan



Otsego Now establishes a State Disaster Emergency Grant Program for Otsego County, with financial assistance from the Community Foundation of Otsego County and the Cooperstown Foundation.



Small businesses and not-for-profit corporations with fewer than 50 employees are eligible for grants up to \$500 for the purpose of acquiring personal protective equipment (PPE) or installing fixtures to prevent the spread of Covid-19, during the period in which the Governor's Executive Order 202 of 2020 is in effect. To be eligible for a grant, a small business or not-for-profit corporation must meet these requirements:

- * Was a financially viable entity prior to the state disaster emergency; and
- * Conduct business in the area served by the Otsego County Industrial Development Agency; and
- * Must be located outside the City of Oneonta; and
- * Have been negatively affected by the state disaster emergency.

The Community Foundation of Otsego County awarded a \$25,000 grant to the Cooperstown Foundation which had applied to the Community Foundation to help create the Otsego County COVID-19 Relief and Recovery Fund. The Cooperstown Foundation in turn is entered into a subrecipient agreement with Otsego Now to administer the fund to small businesses and not-for-profit corporations outside the City of Oneonta, which has its own PPE program for businesses within the city limits.

On June 17th the Governor signed NYS Legislation establishing a "State Disaster Emergency Loan Program" to authorize Industrial Development Agencies to make loans and grants to small businesses. Prior to this IDAs were prohibited by state law from making grants or loans to any organization. The new legislation restricts grants to acquiring personal protective equipment (PPE) or installing fixtures necessary to prevent the spread of COVID 19.

At its board of directors meeting on June 25th, Otsego Now voted unanimously to match the Community Foundation of Otsego County grant with another \$25,000 of its own funds to help Otsego County small businesses. The total now available for grant awards is \$50,000.

Harry Levine, Board President, Community Foundation of Otsego County said "This award, our nineteenth, will help small businesses and nonprofits bear the burdens they have encountered due to the COVID-19 virus. We are grateful to Otsego Now and the Cooperstown Foundation for organizing this important effort to support our local economy."

To date 36 businesses in Otsego County have received grants from Otsego Now.

Otsego Now administers the Otsego County \$200,000 Micro-Enterprise Grant Program to Aid Businesses Affected by Covid-19

Otsego Now was asked by Otsego County to administer their micro-enterprise grant program on behalf of the County. This is the first time that the County has asked Otsego Now to administer any of their grant programs on their behalf and is a continued sign that the County is putting more and more recognition that Otsego Now is the County's Economic Development Agency. Otsego Now received 18 applications from businesses throughout the county for assistance.

To this end, Otsego Now recommended:



– The Following Grants Were Awarded in 2020:

- \$18,859.40 Grant to Silks and Treasures Consignment & Retail Store
- \$ 6,888.60 Grant to The Underground Attic
- \$35,000.00 Grant to Wyckoff's Florist
- \$32,193.00 Grant to Hospitality Landmark Inn
- \$28,080.00 Grant to R&S Payroll Systems
- \$35,000.00 Grant to Teepee Gift Shop
- \$32,193.00 Grant to #23 West Pizzeria
- \$ 7,184.00 Grant to Action Lube & Soda Jerks

The County of Otsego's Board of Representatives approved all recommended grants to these businesses.

As Part of the Covid-19 Relief, Otsego Now Participates in both the County of Otsego Task Force and the City of Oneonta Task Force for Relief

The City of Oneonta's "Survive, then Thrive" initiative awarded 35 Reopening and Recovery grants of up to \$3,000 to Oneonta businesses to help purchase Personal Protective Equipment and cover their unanticipated capital expenses due to the COVID-19 pandemic.

"Our Survive, then Thrive initiative continues to show how the Oneonta community has come together to overcome this previously unimaginable challenge", states City of Oneonta Mayor Gary Herzig, "I applaud our small business owners for their perseverance, can-do attitude, and for the way they have come together in supporting each other."

Funds for these grants were provided by the City of Oneonta and the Community Foundation of Otsego County with administrative support provided by the Future of Oneonta Foundation and the Otsego County Development Corporation. The Survive, then Thrive Reopening and Recovery Grant initiative was led by a committee appointed by Mayor Herzig and co-chaired by Jamie Reynolds, NBT Bank Regional Executive and Judy Pangman, City of Oneonta Community Development Director.

Additional Survive, then Thrive Finance Committee members included:

Michelle Catan, Small Business Development Center, Jody Zakrevsky, Otsego Now, Meaghan Marino, Otsego Now, Len Carson, Council Member, Barbara Ann Heegan, Otsego Chamber, Ben Nesbitt, Future of Oneonta Foundation and Rachel Jessup, Bank of Cooperstown.



Meaghan Marino of Otsego Now, a member of Oneonta's Survive, then Thrive committee, delivers a \$3,000 Recovery Grant check to Bonnie Potter of Edward Teleky Jewelers.



Otsego Now Economic Development Strategy 1:

Infrastructure Improvements to Foster New Economic Stimulus

2020 Marks the First Time in Years for Planned New Infrastructure to be Installed in 2021.

Otsego Now has embarked on investing in new infrastructure improvements in various parts of the County. These improvements include new water, sewer, and natural gas line expansion from the Village of Richfield Springs into the Town of Richfield.

In addition, Otsego Now will be investing in purchasing and installing FREE WIFI in the Village of Cooperstown's historic Main Street.

And, as part of the 2021 adopted budget, Otsego Now has appropriated monies to begin to clear some of the debris and land clearing and grubbing at the Oneonta Railyards Business Park.

Funding for these projects comes from the NYS Empire State Development, the federal Economic Development Administration, the NYS Dormitory Authority and Otsego Now.

"Infrastructure is the catalyst for future economic growth and has been lagging for some time in Otsego County," said Jody Zakrevsky, CEO of Otsego Now. "We are also exploring new technologies with respect to future infrastructure such as a community geothermal heating and cooling system which might be installed in our Oneonta Railyard Business Park or the possibility of new solar street lighting."



Infrastructure Improvements – Richfield Springs

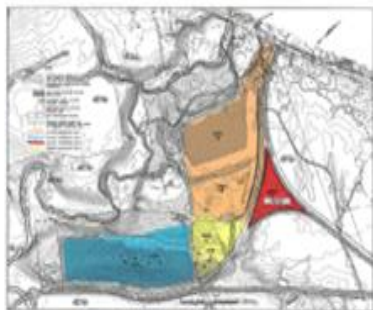
Otsego Now was awarded \$1.2 million from the federal Economic Development Administration to install water, sewer, and gas to a proposed new industrial park in the Town of Richfield. The proposed new park, to be named the Richfield Springs Eco-Industrial Park is the first new industrial park to be built in the northern part of Otsego County. Future tenants will include Andela Products and Ruby Lake Glass who are in need of additional space to accommodate their continued growth. In addition, because the Park will have municipal water, insurance rates for both companies will decrease. A third business, from Holland, is also looking at the possibility of moving into the Park once completed.



EDA Implementation Project
Case Study; FY20
Otsego County IDA



OTSEGO now
HUB FOR ECONOMIC PROGRESS



Richfield Springs

Otsego County IDA

Eco-Industrial Business Park

\$1.2 Million EDA / \$2.4 Million total project

Installation of utilities to support advanced manufacturing in the region by constructing an access road along NYS Route 28 and installing a gravity wastewater collection system.

Once completed, the project will promote business expansion, bolster job creation, attract private investment, and enhance economic growth throughout the region.

Near term facilitation of 9 new jobs and \$10.5 Million in private investment – direct from businesses.

Infrastructure Improvements – Cooperstown



Otsego Now in partnership with the Village of Cooperstown and MidTel (The Middleburgh Telephone Company) has reached an agreement in 2020 to install Wi-Fi hot spots in the Village of Cooperstown’s historic Main Street.

This will include a specially designed application to enhance traveler/visitor experience, improved access to communications services, and event/retail awareness. This project is intended to be a PILOT program, which upon success would also be implemented in other areas of the county, like Oneonta.

The overall goal of the project is to promote consumer and tourist access, enhance broadband availability and usage, and create better communications in general that have a positive consumer impact the area on a year-round basis. This public-private partnership will work to build upon this endeavor and other initiatives to help retain and attract young professionals to the area for long-term employment and residency.

Otsego Now received a \$250,000 grant from the NYS Dormitory Authority and the Village another \$57,000 grant from NYS Empire State Development.

Installation is planned for 2021.

Infrastructure Improvements - Oneonta

Oneonta Railyard Development



Otsego Now closed on approximately 89 acres of property formerly owned by Norfolk Southern during the spring of 2017. In 2019, the Final Generic Environmental Impact Statement was completed for the site and accepted by the City of Oneonta.

In 2020, Otsego Now engaged the engineering firm of the MRB Group to prepare a master plan and subdivision layout of the park incorporating wetlands into the design as well as biking and hiking trails. In 2020, the Otsego Now Board of Directors appropriated funds to begin the clear the site of debris and land clearing and grubbing at the Oneonta Railyards Business Park. The project is slated for the spring of 2021.

Otsego Now Economic Development Strategy 2: 2020 Business Expansions and Attractions

Otsego Now can offer a variety of incentives aimed at helping businesses; both international companies looking to move, as well as locally owned small businesses looking to grow. By making available loans, grants, and tax credits, Otsego Now supports its businesses by addressing their needs and promoting their development.

Programs that Otsego Now has helped with include the NYS Economic Development Capital Grant Program, the NYS Excelsior Tax Credit Program, the NYS Office of Homes and Community Renewal Community Development Block Grant Program, the Broome County STEED Loan Program, the Mohawk Valley Economic Development District 504 Loan Program, and the NYS Linked Deposit Program. The IDA – part of Otsego Now – can also offer tax-exempt bond issues, payment-in-lieu-of-taxes and sales tax exemptions.

Otsego Now will also provide for expert consultation with other groups for businesses looking toward the New Market Tax Credit Program or the Opportunity Zone Investment Program.



2020 Business Expansions and Activities



Custom Electronics completed their \$2.4 million expansion of a new manufacturing line for “smart battery” development and manufacturing.

In 2018, the IDA applied for on behalf of the Town of Oneonta and Custom Electronics for a \$750,000 CDBG grant 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 \$2.4 million. The planned expansion began in 2019 and the project was completed in December 2020. 50 new jobs were created at the facility in Oneonta as a result of this expansion.

Custom makes high-voltage mica-paper capacitors, sub-assemblies and packages high-voltage modules for the world's leading companies in the missile-system, communication-satellite, medical-electronics, geophysical, and aerospace industries in the United States and abroad.

The Cooperstown Distillery was awarded a \$85,000 NYS Empire State Development Grant and a second \$100,000 Community Development Block Grant for an expansion of their manufacturing facility in Cooperstown. The total project cost was \$550,000. The expansion, which began in the fall of 2019, was completed by the spring of 2020. Six new employees were hired increasing their workforce to fourteen.



2020 Business Expansions and Activities



In April 2020, **XS Power Batteries** from Knoxville, Tennessee, announced plans to purchase IOXUS Manufacturing and invest \$14 million in the Oneonta Facility for anticipated expansion and double the current employment.

IOXUS designs and manufactures ultracapacitors and modules for a variety of high power, energy storage applications. The company will be renamed Systematic Power Manufacturing, LLC. Otsego Now provided the company with a Pilot Agreement, Sales Tax Exemptions and obtained a \$1 million ESD Excelsior Tax Credit Award.

Otsego Now Continues to Work with Corning on Expansion



In 2018 Corning received a Pilot Agreement and Sales Tax Exemption for a \$12 million plant upgrade at their Oneonta facility. In 2019, a second Pilot Agreement was received for a \$1.2 million solar array installation. Otsego Now is currently working with Corning on a third project for 2021, a \$19.9 million expansion which involves a new building and major equipment purchases.

2020 Business Expansions and Activities

Otsego Now approved a Pilot Agreement and sales tax exemption for a proposed Hampton Inn in the Town of Hartwick just outside Cooperstown. Construction is planned for 2021.



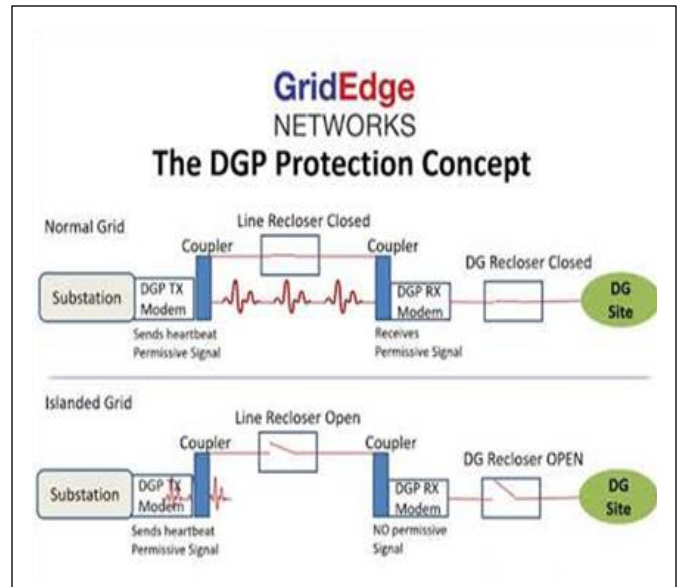
Otsego Now Working to Help Brooks Bottling Expand in Town of Oneonta – Planned Expansion 2021-2023.



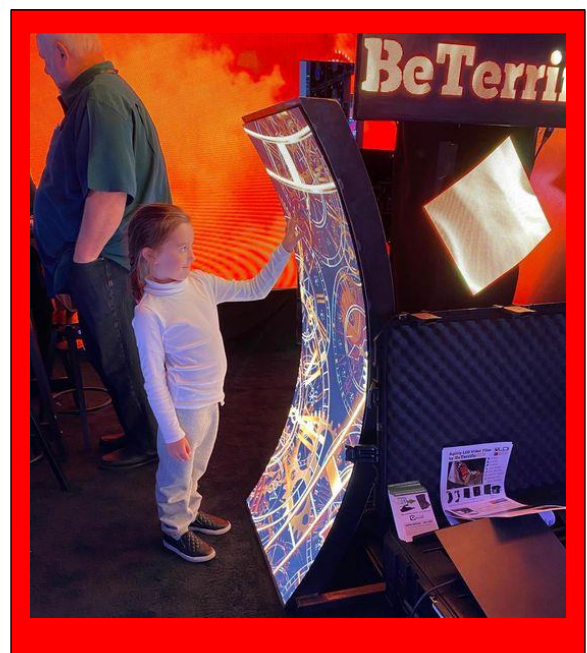
2020 Business Expansions and Activities

Custom Electronics Acquires Two Companies in 2020 and are Moving Them to Otsego County

GridEdge Networks, located in Westford MA, develops and sells highly reliable and cost-effective unintentional islanding protection systems to electric utilities and independent power producers. The GridEdge Networks products are located at the edge of the distribution grid and use its innovative Distributed Generation Permissive (DGP) technology that significantly reduces interconnection costs and interconnection time and simplifies installation for the electric utility and the power generation customer. They enable deployment of protection and monitoring applications while leveraging existing infrastructure and utility assets.



A flexible, digital display company, **BeTerrific**, is closing its New Jersey facility and moving in with Custom Electronics to work on various joint ventures with customers including Microsoft, Universal Pictures, Sprint, Saks Fifth Avenue, and Xbox One. The company manufactures flexible digital displays which can be installed on curved surfaces to provide unique advertising.



Otsego Now Economic Development Strategy 3: Marketing Campaign

Otsego Now is working on three marketing initiatives:

- 1) A new digital marketing campaign to downstate businesses and residents.**
- 2) In conjunction with Southern Tier 8, marketing on a online Opportunity Zone platform, promoting investment in Otsego's Opportunity Zone.**
- 3) Working with existing businesses, having them reach out to companies they do business with to attract them to Otsego County.**



Otsego Now Begins New Digital Marketing Campaigns

Otsego Now launched its first ever digital marketing campaign to down state businesses and families. Otsego Now hired Vibrant Brands to oversee and provide guidance to Paperkite which developed the landing pages and provides an analysis of views/clicks for Google Ads, LinkedIn, Facebook/Instagram, and Otsego Now's website.



Otsego Now Participates with Southern Tier 8 Regional Planning on Marketing Region's Opportunity Zones

Southern Tier 8 Regional Board contracted with the Opportunity Exchange from Cleveland, Ohio, an experienced economic development consultant, to work with economic development and community planning teams across rural Upstate New York to develop an online Opportunity Zone platform, promoting investment in 19 federally designated Opportunity Zone areas.

The work plan includes:

Phase 1:

- Workforce Training offered for 8 County economic development and planning teams
- Opportunity Zone guidance/resource developed
- Inventory of additional Local and State incentives developed
- Unique geographic advantages &/or assets defined (industry, education, lifestyle, support teams) within the 19 designated opportunity zones (reference region's CEDS).
- Demographics & Geography (proximity to Market) of 19 Opportunity Zones defined
- Inventory of potential investors & additional partners defined (public and private sector)
- Mission statement (roles) drafted for the economic development and community planning teams

Phase 2:

- Develop outreach plan for additional partners & potential investors
- Develop inventory of development sites
- Develop regional project portfolio in collaboration with organization's upcoming regional portal

Phase 3:

- Content maintenance with huestudios to promote use of portfolio & evaluate success



The Ford Building Complex in Downtown Oneonta is part of the Opportunity Zone.



Otsego Now's Oneonta Railyard Business Park is part of the Opportunity Zone.

Otsego Now Works with Existing Companies to Attract New Businesses

Businesses from the Netherlands Which Andela Products Does Business with That Otsego Now is Trying to have Expand in Richfield Springs.

Over Morgen

Over Morgen ("about tomorrow" in Dutch) is a green energy consultancy firm striving for cities that are heated and cooled without the use of fossil fuels. Using fossil fuels for heating and cooling is inefficient and polluting.

Installect Group

Installect designs, realizes, operates, and maintains over 400 aquifer thermal energy storage systems for commercial and public building owners in and outside the Netherlands.

Engie

They are leading the way and establishing the energy transition through innovative and sustainable energy solutions. They give direction to this change by helping customers (institutions and consumers) to make the transition from fossil to 100 sustainable and the movement towards decentralization, as quickly and cost.

Priva

Priva is leading the way in the development and production of technology to control environmental conditions in greenhouses and buildings for the building industry. Priva develops and manufactures intelligent building automation systems which ensure a healthy indoor climate and reduce the impact on the environment.

Special Thanks to:

Senator James Seward who announced he is retiring from the NYS Senate after holding the seat in the 51st Senate District for 34 years. He has been instrumental in helping Otsego Now receive numerous grants to help with economic development activities within the County. He was also responsible for helping establish Otsego Now in its early years in January 2014. At the time, Senator Seward said, "After hosting the recent economic development summit, I have been meeting with key elected officials and business leaders to capitalize on what we learned and take the next step. One of the chief takeaways from the summit was the need for a single point of entry to facilitate economic development."



Richmond Hulse, Jr. has distinguished himself with his deep knowledge and abilities related to economic development matters, and the expertise and leadership developed during that career has been invaluable to IDA and the CRC during his tenure as Chairman of the IDA Board of Directors and Chairman of the CRC Board of Directors. In 2020, Rick retired from Otsego Now Board of Directors as Chairman and member of the Board.

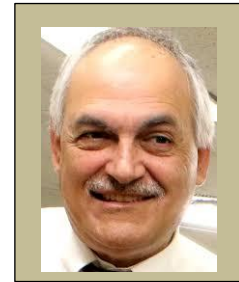
Rick has also pursued the enhancement of County of Otsego, both personally and professionally, as evidenced by his past positions, especially leadership roles, in civic and charitable organizations including being a Trustee of the Fly Creek Area Historical Society, a former member of the Otsego County Board of Representatives (2014/2015), and a former member of the Otsego & Schoharie Cornell Cooperative Extension.

Barbara Ann Heegan will be leaving the Otsego County Chamber of Commerce at the end of 2020 to go to Greenwood, SC to be near family. She has taken the post of President of the Greenwood Chamber and we know she will flourish there as she has here. Many will miss her leadership, enthusiasm, guidance, advocacy efforts on our behalf at all levels of government, and her unwavering dedication to the region. We all wish her good luck. From 2018 – 2020 she moved the Chamber to Otsego Now's offices to facilitate better collaborating between our two agencies.



Congratulations

Custom Electronics, nominated by Otsego Now, was the recipient of the NBT Bank Distinguished Business of the Year award for 2020 by the Otsego County Chamber of Commerce. Under the leadership of President and CEO Michael Pentaris, Custom Electronics launched a \$2.2 million expansion plan during the last year, the release said. The company added 50 new jobs and plans to hire another 50 employees over the coming years.



Michael Pentaris, CEO of Custom Electronics

Custom Electronics has been lauded for its renewable-energy efforts and its focus on long-lasting lithium-ion batteries. President and CEO of the Chamber, Barbara Ann Heegan said "through growth, company history and collaborations across the country, Custom Electronics has positively impacted our local economy and added to quality of life by having its headquarters in Oneonta." The Distinguished Business of the Year is awarded to companies with 51 employees or more that "demonstrate resilience, courage and commitment and the ability to find new solutions and working space."

Peter Oberacker



Peter Oberacker has been elected to the NYS Senate representing Otsego County in the 51st Senate District. Peter was formally on the Otsego County Board of Representatives and chaired the Public Works Committee, was Vice-Chair of the Administration Committee, Human Services, Negotiations, and Inter-Governmental Affairs committees. Prior to his election to the County Board, Peter served as Maryland Town Supervisor and as a town board member. In 2007, he created Form Tech Solutions and built it into a successful multi-million-dollar business working with major companies around the world to develop and incorporate new and innovative products and then make them applicable in the ever-growing food industry.

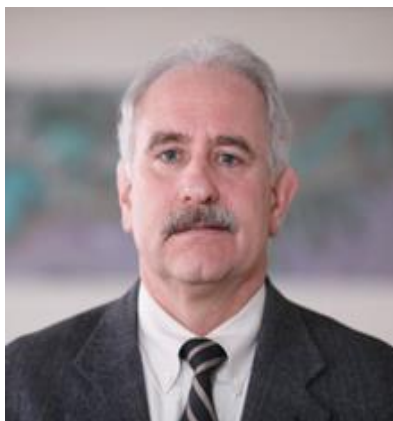
Agency Staff



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