

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

**PROJECTS COMMITTEE  
June 10<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/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 8:20am via video conferencing app, GoToMeeting. Committee members present were:

Cheryl Robinson  
Patricia Kennedy\*  
David Rowley  
Craig Gelbsman

Tom Armao  
Andrew Marietta\*\*  
Jeffery Joyner\*\*\*

Also, in attendance:

**STAFF**

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

**GUESTS**

Seth Haight, **Springbrook COO**  
Michele Sherwood, **Springbrook Executive Administrator**  
R. Michael N'Dolo, **MRB Group**

\*Left during Springbrook presentation and returned immediately after.

\*\*Departed before end of meeting.

\*\*\*Arrived after start of meeting.

**CHAIRMAN'S REMARKS**

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

## MEETING MINUTES

C. Robinson requested a motion to approve the May 13<sup>th</sup> 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.

## SPRINGBROOK PRESENTATION ON FORD BUILDING RESTORATION

P. Kennedy recused herself as a committee member and board member from this portion of the meeting. Seth Haight, Springbrook COO, walked committee members through Springbrook's vision to restore the Ford Building and create 24 studio, one-bedroom, and two-bedroom apartments. It would be an integrated housing development that would also serve those with developmental disabilities. The bottom floor would consist of commercial space. Springbrook and the City of Oneonta would work together to renovate the walkway from the parking garage to Main Street, including the addition of an elevator to both Main Street and the apartments upstairs. The project would utilize Historic Tax Credits and maintain the existing façade as much as possible. Springbrook is creating a for-profit LLC to handle the project. Springbrook would like to go out to bid on the project by September of 2021, construction between Fall 2021-July 2022, and open in the Fall of 2022. Seth and Michael both walked through the agency's pro forma and sources of funding for the project. Springbrook is requesting a 25-year PILOT from the IDA. The abatements would be on the improvements to the building, not the current base taxes that are already being paid. 100% abatement for the first 10 years, 75% abatement for years 11-15, 50% abatement for years 16-20, 20% abatement for years 21-25. They advised that the IDA's assistance with a PILOT is critical to the project. A PILOT like this would be a deviation from the IDA's UTAP. J. Zakrevsky asked when the IDA would receive the PILOT application and cost-benefit analysis. Michael advised that the application, SEQR, cost-benefit analysis, and some additional attachments are ready to be sent to the IDA. C. Gelbsman asked how long if the project would remain in the LLC for the life of the project. Michael explained that Springbrook must maintain the LLC entity for at least 7-years for the tax credit compliance period, however, it would be a lot of hassle to exit at 7-years due to their senior lenders and HCR lender. Springbrook also has a desire to keep the project in a separate entity due to liability reasons. D. Rowley asked what the current base taxes are on the building. Michael explained that the existing assessment is \$950,000, and the abatement would be on any value that goes above that number.

## CEO REPORT OF PROJECTS

J. Zakrevsky recapped some of his activities since the April Projects Committee 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:

- **Oneonta Rail Yards** – J. Zakrevsky updated the committee on a tour he took of the rail yards with a group of investors from the Connecticut area, who are considering purchasing a portion of the rail yards for an industrial hemp manufacturing facility. He noted his concerns that the facility would be a high energy user for both natural gas and electric. He requested their projected energy

demands so that he could review that information with NYSEG before pursuing this company any further. C. Robinson asked if there was any progress with Corning regarding the site. J. Zakrevsky advised that although Corning hasn't said "no" to the rail yards being the home of a future project, their focus right now is on their current project. D. Rowley expressed frustration at the fact that we have businesses with the financial capability to expand their businesses in Otsego County but we don't have the necessary energy resources to allow them to.

- **Richfield Springs (RS)/Andela Products** – The County approved a \$600,000 interest-free loan to the IDA at their June 3<sup>rd</sup> board meeting, in a unanimous decision, for assistance with the water/sewer/gas extension project for the Richfield Springs Business Park. The Town of Richfield Springs and the Village of Richfield Springs are working together to finalize a water/sewer district memorandum agreement. We reached out to Keystone Engineering to proceed with construction design and bid documents.

## **NEW/UNFINISHED BUSINESS**

- **Brooks** – J. Zakrevsky toured the Oneonta Business Park with Brook's attorney. They currently have a site in mind for their bottling expansion, but they toured the park as an alternative to that site, as our property has water/sewer capabilities and that one does not. M. Marino reached out to NYSEG to inquire about where the natural gas line ends in the Oneonta Business Park, as Brooks requested this information. NYSEG provided that information, but advised that they would need to approve any new usage as there is a limited amount of natural gas available. This would be the second project that is potentially affected by the limited availability of resources. C. Gelbsman questioned why Brooks could run now, but not move his existing business with his current natural gas load. J. Zakrevsky advised that he hasn't fully broached the topic with NYSEG, but that would be the argument he would make to them, as well.
- **Uniform Tax Abatement Policy** – J. Zakrevsky sent the committee a deviation matrix for the IDA's current UTAP to score future projects that could be deemed eligible for deviation. He used a weighted system for the criteria of judging a project which is based highly on job creation and amount of investment. This deviation wouldn't just be for housing projects, but for any type of manufacturing project. He hopes to have a new policy created, with input from the board, by the next board meeting for adoption. C. Robinson requested that committee members send any feedback to J. Zakrevsky prior to the board meeting.
- **Advanced Biotech** – J. Zakrevsky received correspondence from the attorneys for Advanced Biotech. They are a company from New Jersey that manufactures natural flavoring and ingredients for distribution worldwide. They are in the process of purchasing the former Medical Coaches building on County Highway 58 in the Town of Oneonta. They're looking at an approximately \$5million project, including acquisition costs and equipment costs. They are looking for a PILOT from the IDA, but we have not received an application yet. He also advised they would likely be creating 6-7 jobs in the first year. We will be looking at the Town's SEQR review to supplement ours.
- **Nexamp Solar Project** – Nexamp is looking to build a 6.2megawatt solar field at Hartwick College. They originally requested from Otsego County a waiver on PILOTs, but the County Chair advised them that PILOTs were being handled by the IDA. They have set up a meeting with J. Zakrevsky for next week to discuss the project. D. Rowley attended a Town board meeting where this project was discussed and it was mentioned that the SEQR on this project would be done by the City of

Oneonta. The project will be in the City, but the connection from the panels to the NYSEG power lines goes underground into the Town of Oneonta. He also mentioned that solar field would cover 26-acres, which is a significant investment. J. Zakrevsky mentioned that is working with Hodgson Russ, as there are two ways to do PILOT agreements for solar arrays; one would be what the IDA did with Corning, which is based on the construction numbers. The second is based on the amount of energy they will generate and the amount of money they will save, which some IDAs have received a percentage of during the life of the PILOT. Our IDA will be looking at both options. D. Rowley asked if Nexamp is leasing property from Hartwick College. J. Zakrevsky advised that he doesn't have the answer to that yet.

- **Cooperstown Distillery** – Cooperstown Distillery is having a grand re-opening this weekend with local representatives and the State's Comptroller. Cooperstown Distillery has asked the IDA to speak, as our agency was crucial in securing CDBG funding for their expansion project. As J. Joyner will be out of town, D. Rowley will be speaking on behalf of the IDA.
- **IOXUS** – J. Zakrevsky was also at the Town of Oneonta board meeting. Our agency is looking to do a CDBG for IOXUS and their retention of 32 jobs and to add another 18-20 to their workforce over the next few years. The Town voted unanimously for the IDA to do an application of their behalf for the project.

## **ADJOURNMENT**

There being no further business to discuss, D. Rowley made a motion to adjourn the Audit & Finance committee meeting at 9:09am.

## **UPCOMING MEETING SCHEDULE**

The next Projects Committee meeting will be held on July 8<sup>th</sup>, 2021 at 8:00am.