

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

**PROJECTS COMMITTEE
April 14th, 2022
MEETING MINUTES**

CALL TO ORDER

The COIDA and OCCRC's joint Projects Committee meeting was called to order at 8:28am at the Otsego Now offices at 189 Main Street in Oneonta, NY. Members were given the option to attend the meeting virtually (v) or in-person. Members present included:

Andrew Marietta (v)
Patricia Kennedy (v)*
James Seward

David Rowley
Jeffrey Lord (v)

Also, in attendance:

STAFF
Jody Zakrevsky, **CEO**
Meaghan Marino, **Dir. of Finance and Admin.**

*departed before end of meeting.

CHAIR'S REMARKS

Projects Chair, C. Robinson, and Vice Chair, T. Amaro were absent from the meeting. Committee member, A. Marietta, moved immediately into the agenda.

MEETING MINUTES

A. Marietta requested a motion to approve the March 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, J. Lord made a motion to approve the meeting minutes. J. Seward 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 March 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 noted that Rambol Engineers is continuing their study of a geothermal system throughout the Rail Yards, and the Opportunity Exchange is continuing their market of the park, because of its location in an Opportunity Zone.
- **Richfield Springs (RS)** – J. Zakrevsky advised that he has advised the charter to focus on the developments of the business park, and not the developments of Andela Products/Ruby Lake Glass and their intention to move into the park. He pointed out “red flags” that were noted on the project charters, including inflated construction costs to the COVID-19 pandemic and the Public Service Commission (PSC) approval to extend natural gas into the park. He added that the agency and Barton & Loguidice have been hounding the PSC for further information, but has gotten nothing so far. There was a brief conversation regarding the lateral hook-up of the gas lines and the approval from PSC.

NEW/UNFINISHED BUSINESS

- **Senator Chuck Schumer** – J. Zakrevsky reminded members that Senator Chuck Schumer is coming to the Otsego Now offices tomorrow to discuss his support of the USDA funding for the Innovation and Acceleration Center. Local leaders and board members have all been invited to attend.
- **Systematic Power Manufacturing** – J. Zakrevsky is still working on a CDBG application for funding of new equipment for their Oneonta plant. He noted working on the application, but the computer system freezing and not allowing him to continue to work on it. He is currently working with their staff to help reopen the application to finalize. He felt that he was kicked out due to him not finishing the application in the allotted 60 days. He advised the committee that the reason it wasn't completed is because the public hearing for the project needed to be pushed back one month due to an error on the Town of Oneonta's part when posting the public hearing notice.
- **Barton & Loguidice** – Barton & Loguidice is currently administering the EDA grant for the Richfield Springs Business Park. They've submitted a proposal to administer other grants for the agency in the future. J. Zakrevsky explained that the fee would be up to \$30,000, but it would only be done on a time/material basis should the IDA request work from them.
- **PARIS** – J. Zakrevsky advised that all PARIS reports were submitted to the NYS ABO, but they were submitted about four days late. This was due to the financial audit not being completed and approved by the board until the first week of April.
- **NYS ABO** – J. Zakrevsky noted that the board received an email from the NYS ABO regarding items that were missing or needed to be updated on the agency's website. He advised members that staff is currently working on their list of items. He noted that they have requested that all active projects be listed on the website with their associated documents and resolutions. Many of these items go back longer than 10 years and require staff to look through old files, some in storage.
- **Foothills** – Foothills has an active loan in the amount of \$100,000 that the organization has made no payments on since their borrowed. They've requested a negotiated sum to close out the loan. J.

Zakrevsky had advised the board that because the IDA cannot gift monies, he didn't feel that the IDA could forgive portions of this loan. However, he reached out to Joe Scott for advice, who advised that there can be a negotiated settlement. As part of that negotiation, the IDA would be required to see Foothill's financials, financial audits, and bank accounts to determine that they don't have a means to pay back the note. He advised the committee that he would request these items. Because Foothills has outstanding debt with other lenders, the IDA's position is that the agency receives the same percentages as other lenders.

- **Hickey Golf, Inc.** – There is a public hearing scheduled for April 20th for the Hickey Golf, Inc. project in the town of Hartwick at Town Hall.
- **Advanced Biotech** – J. Zakrevsky explained that when Advanced Biotech filled out the PILOT application with the IDA, under “anticipated benefits” (mortgage recording tax, waivers, real property tax abatements, and sales tax abatements) they advised that they would be saving \$80,000 in sales tax abatements. When J. Zakrevsky was completing the PARIS reports for Advanced Biotech, he asked them to submit their ST-340 form to the IDA, which they should have filed with NYS at the end of February. They never filed the form and when they started working on it, they realized that their sales tax exemptions needed to be much higher; closer to \$200,000. However, when the IDA board voting on the Advanced Biotech Approving Resolution, they only approved sales tax exemptions up to \$80,000, because that is what the company put on their application. The company advised J. Zakrevsky that they were unaware that the expected sales tax abatements on the application needed to be an exact number. J. Zakrevsky advised the company that if they handed out sales tax exemptions to contractors and the number went over \$80,000, the IDA is required by law to recapture that sales tax for NYS. J. Zakrevsky advised that the only way to rectify this situation would be to have a revised public hearing on this project and for the board to approve an increased amount for sales tax abatements. Their attorneys drafted a letter to the IDA explaining the situation and asking for consideration of adjusting the sales tax amounts. J. Lord suggested that anytime we receive a letter from legal counsel we should have our own legal counsel respond to address the details. He noticed that in their letter it's suggested that the IDA advised them to put \$80,000 in the application as a placeholder. J. Zakrevsky advised that our counsel is in contact with theirs, and that counsel would also have the paperwork ready for the next board meeting for the board to vote on approving another public hearing for this project.
- **Oneonta Business Park** – J. Zakrevsky advised that in the last two weeks there have been two interested parties in properties in the Oneonta Business Park. One is another halal meat processing facility. This project consists of restaurant owners out of the NY/NJ Metropolitan area who mainly use halal meat products and are working with the halal meat processing facility in Sidney to open a larger facility. They've advised that they don't need any financing or grant funding for this project. This project would result in approximately 15 new full-time jobs. J. Zakrevsky advised them that the property they are interested in is located close to a residence and would require a variance from the Town of Oneonta Zoning Board. The other interested party is a local resident who is looking to build event space in the Oneonta Business Park. J. Zakrevsky advised them that there is another interested party, to which they replied that they would immediately write a check to acquire the property. J. Zakrevsky advised them that they should also speak to the Town of Oneonta Zoning Board, as that spot is not zoned for event space, and they would need a variance. They are currently going through that process now. J. Lord questioned that if they should obtain a variance, does the IDA have any prohibition for targeted businesses in the park. J. Zakrevsky advised that he told them that even if they do receive the variance the board would need to seriously consider this sale, as there wouldn't be much job creation associated with event space. Members questioned why the

client chose the Oneonta Business Park for their event space. J. Zakrevsky concluded it was because of its proximity and visibility from I-88 and that the site already has access to water/sewer. J. Lord also suggested that because the price of properties is so high right now, other property owners may have increased the purchase price on their properties, whereas the IDA is bound to selling properties at their appraised value.

ADJOURNMENT

There being no further business to discuss, D. Rowley made a motion to adjourn the Projects Committee meeting at 8:59am.

UPCOMING MEETING SCHEDULE

The next Projects Committee meeting will be held on May 12th, 2022 at 8:00am.