

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY
December 15th, 2022

MEETING MINUTES

CALL TO ORDER

Chair, J. Joyner, called to order the meeting of COIDA at 8:00am. M. Marino conducted roll call and determined there was a quorum. Voting members present included:

Jeffery Joyner
Jeffrey Lord
Tom Armao
James Seward

David Rowley
Patricia Kennedy
Andrew Marietta

Absent Board Member(s): Cheryl Robinson, Craig Gelbsman

Also, in attendance:

STAFF

Jody Zakrevsky, **CEO**
Meaghan Marino, **Dir. of Finance and Administration**
Gina Gardner, **Marketing Coordinator**
Kurt Schulte, **Agency Counsel (v)**
Joe Scott, **Bond Counsel (t)**

(v) – virtual

(t) - telephone

* arrived after start of meeting

CHAIR'S REMARKS

Chair, J. Joyner, welcomed fellow board members and staff to the December board meeting and moved immediately into the agenda.

MEETING MINUTES

J. Joyner presented the meeting minutes from the October 27th, 2022 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 D. Rowley, and it was approved by the remaining members present.

BILLS & COMMUNICATIONS

There were no Bills and Communication for this meeting.

COMMITTEE REPORTS

- ❖ **Audit & Finance** – The Audit & Finance Committee meeting was held on December 8th, 2022. J. Lord, Chair of the Committee, explained that the committee reviewed bills and financials and discussed the potential to extend a lease. The committee then went into executive session to discuss some personnel and the financial history of an outstanding loan with the agency.
- ❖ **Governance Committee** – The Governance Committee meeting was held on December 8th, 2022. Board members were given a draft copy of the meeting minutes as a review of that committee's activities.
- ❖ **Projects Committee** – The Projects Committee meeting was held on December 8th, 2022. C. Robinson, Chair of the Committee, was absent from the board meeting, so J. Zakrevsky gave an overview of the meeting. He mentioned that the committee discussed a time extension that he has requested from EDA for the grant for the Richfield Springs Business Park and is still awaiting their reply. He also mentioned HCR approving the full application for Brooks Bottling expansion grant and ASATI being awarded grant funding from Empire State Development.

NEW BUSINESS / UNFINISHED BUSINESS

- **Amended Approving Resolution – Centrome, Inc. d/b/a Advanced Biotech** – J. Zakrevsky explained that this project with Centrome has been going on for over a year and explained that Advanced Biotech originally put in their application for a PILOT agreement and sales tax exemptions. The cost of this project has now increased from approximately \$5,000,000 to approximately \$14,000,000, due to the increased cost of materials, labor and equipment. Also, because the company could not get natural gas to the sight, they have installed a \$5,000,000 solar array on their property, which increased costs significantly. Because of these factors their original application did not account for the increased costs of sales tax, so the company is not requesting that the board approve an increased sales tax exemption and allow more time to complete the project. M. Marino noted that a public hearing was held and there were no comments from the public. J. Zakrevsky added that the hearing occurred on November 28th, but due to a mailing error to the taxing jurisdictions it was kept open for 14 days. J. Zakrevsky asked that a new cost benefit analysis of the project be done due to the significant cost increase. He noted that the cost benefit favors the continuation of the project. J. Seward asked what the new tax benefit is and J. Zakrevsky replied that it would be 8% of approximately \$12,500,000. J. Scott further reviewed the resolution with the board. He noted that the results of the public hearing allowed for a modification of the documents that were established in September of 2021. The modifications include providing for an increase in the cost of the project, an extension of the completion date, and an increase in the amount of sales tax benefits granted to the company. He added that should the board approve the resolution, the modified documents will be filed with New York State and the IDA's increased annual administrative fee would reflect in the updated PILOT and lease documents. J. Lord noted the 80% increase in cost and asked the staff if they were confident that the resources behind the project are available to complete the project. J. Zakrevsky responded by saying that he believed that the company has the resources and capital to complete the project. He noted that the original application in 2021 was completed by a

plant manager, when it should have been completed by an accountant or an attorney with more knowledge on PILOT agreements and accurate project costs post-COVID. D. Rowley asked if any of the 80% budget increase was an expansion of the project or a combination of a low original estimate and inflation. J. Zakrevsky replied that it is due to the inflation of the cost of supplies and labor. The board then voted on the resolution.

- **Resolution Authorizing CEO and Director of Finance and Administration to Sign Contracts on Behalf of the IDA** – J. Zakrevsky advised that this resolution was brought before the Audit & Finance Committee in December who approved moving it to the full board. This contract would allow J. Zakrevsky and M. Marino to sign contracts involving incentive offers from the State, disbursement agreements, or contract amendments on behalf of the IDA. This would not include contracts or any documents that specifically require the signature of the Chair or Vice Chair. Nor would it allow the CEO or Dir. of Finance to sign any contracts for projects/grants that haven't already been approved by the board. J. Scott questioned whether the motion would include ratifying any signatures that either party had made on contracts and documents done previous to this resolution. J. Zakrevsky replied that yes, this motion would ratify any previous actions. The board then voted on the resolution.
- **Resolution Authorizing the CEO to Hire Additional Staff, if Positions are Approved in the Adopted Budget** – J. Zakrevsky explained that this resolution was discussed before the Audit & Finance Committee in December who approved to move it to the full board. This resolution would allow the CEO of the agency to hire staff for the agency, but only if the position has been approved by the board in the adopted budget.
- **Resolution Authorizing the Appointment of Gina Bologna as Marketing Coordinator / Innovations & Acceleration Center Coordinator** – Bast on the last resolution, J. Zakrevsky asked the board to confirm the appointment of Gina Bologna as the Marketing Coordinator / Innovation & Acceleration Coordinator with a start date of November 17th, 2022.
- **Rear Wall of IOXUS Building Repair** – J. Zakrevsky provided two quotes for rear-wall repair of the IOXUS building to the board. One estimate was from Eastman Contractors for \$8,970 and the other was from JMS Contracting for \$8,200. J. Zakrevsky explained that Chad Hall, President of IOXUS, has only received two out of five proposals back. Due to the IDA's procurement provisions, the IDA needs three proposals to proceed, however, he advised that it should be treated as an emergency due to the upcoming winter conditions, as we wouldn't want the wall to get any worse. Because the Eastman proposal went into a bit more detail, T. Armao asked if the JMS would be as complete. Board members requested that staff go back to JMS and get a more detailed proposal to make sure the wall would be adequately repaired. If staff finds the scope of work to be satisfactory from JMS, to go with the lowest bid, otherwise go with Eastman.

RESOLUTIONS

Amended Approving Resolution – Centrome, Inc. d/b/a Advanced Biotech

RESOLUTION AUTHORIZING THE EXECUTION BY COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY OF A CERTAIN MODIFICATION AGREEMENT AND RELATED DOCUMENTS IN CONNECTION A PROJECT FOR CENTROME, INC. D/B/A ADVANCED BIOTECH" (THE "COMPANY")."

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 commercial, manufacturing 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, pursuant to a closing on September 30, 2021 (the "Closing"), the Agency granted certain financial assistance to Centrome, Inc. d/b/a Advanced Biotech (the "Company") in connection with a project (the "Project"), said Project consisting of the following: (A) (1) the acquisition of an interest in an approximately 66.56 acre parcel of land located at 399 County Highway 58 in the Town of Milford, Otsego County, New York (Tax Map No. 290.00-1-4.01) (the "Land"), together with the existing improvements located thereon containing in the aggregate approximately 80,000 square feet of space (collectively, the "Facility"), (2) the renovation of 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 as a warehouse/distribution facility 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 property transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease of the Project Facility to the Company pursuant to a lease agreement dated as of September 1, 2021 (the "Lease Agreement") by and between the Agency and the Company; and

WHEREAS, simultaneously with the execution and delivery of the Lease Agreement, (A) the Company executed and delivered to the Agency (1) a certain lease to agency dated as of September 1, 2021 (the "Lease to Agency") by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company leased to the Agency a portion of the Land and all improvements now or hereafter located on said portion of the Land (collectively, the "Leased Premises"); (2) a certain license agreement dated as of September 1, 2021 (the "License to Agency") by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the Company granted to the Agency (a) a license to enter upon the balance of the Land (the "Licensed Premises") for the purpose of undertaking and completing the Project and (b) in the event of an occurrence of an Event of Default by the Company, an additional license to enter upon the Licensed Premises for the purpose of pursuing its remedies under the Lease Agreement; and (3) a bill of sale dated as of September 1, 2021 (the "Bill of Sale to Agency"), which conveyed to the Agency all right, title and interest of the Company in the Equipment; (B) the Company and the Agency executed and delivered (1) a payment in lieu of tax agreement dated as of September 1, 2021 (the "Payment in Lieu of Tax Agreement") by and between the Agency and the Company, pursuant to which the Company agreed to pay certain payments in lieu of taxes with respect to the Project Facility, (2) a certain recapture agreement (the "Section 875 GML Recapture Agreement") by and between the Company and the Agency, required by the Act, regarding the recovery or recapture of certain sales and use taxes and (3) a certain uniform project benefits agreement dated as of September 1, 2021 (the "Uniform Project Benefits Agreement") relating to the granting of the Financial Assistance by the Agency to the Company; (C) the Agency filed with the assessor and mailed to the chief executive officer of each "affected tax jurisdiction" (within the meaning of such quoted term in Section 854(16) of the Act) a copy of a New York State Board of Real Property Services Form 412-a (the form required to be filed by the Agency in order for the Agency to obtain a real property tax exemption with respect to the Project Facility under Section 412-a of the Real Property Tax Law) (the "Real Property Tax Exemption Form") relating to the Project Facility and the Payment in Lieu of Tax Agreement, (D) the Agency executed and delivered to the Company a sales tax exemption letter (the "Sales Tax Exemption Letter") to ensure the granting of the sales tax exemption which forms a part of the Financial Assistance and (E) the Agency filed with the New York State Department of Taxation and Finance the form entitled "IDA Appointment of Project Operator or Agent for Sales Tax Purposes" (the form required to be filed pursuant to Section 874(9) of the Act) (the "Thirty-Day Sales Tax Report") (the above enumerated documents being collectively referred to as the "Basic Documents"); and

WHEREAS, the Company has requested, pursuant to an amended application from the Company delivered to the Agency in November, 2022 (the "Amended Application"), that the Agency modify the terms of the Basic Documents in order to accomplish the following (the "Modification"):

- (A) to increase the costs of the Project to approximately \$14,000,000;
- (B) to extend the Completion Date (as defined in the Lease Agreement) to December 31, 2023; and
- (C) to increase the amount of the Financial Assistance granted by the Agency with respect to the exemption from sales tax to an amount not to exceed \$1,120,000; and

WHEREAS, in connection with the Modification, the Agency held a supplemental public hearing (the "Supplemental Public Hearing"), and to provide for such hearing, the Agency took the following actions: (A) caused notice of the Supplemental Public Hearing to be mailed to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located, (B) caused notice of the Supplemental Public Hearing to be posted at 258 Main Street in the City of Oneonta, Otsego County, New York, as well as on the Agency's website, (C) caused notice of the Supplemental Public Hearing to be published in The Daily-Star, a newspaper of general circulation available to the residents of Otsego County, New York, (D) conducted the Supplemental Public Hearing on November 28, 2022 at 11:00 o'clock a.m., local time at the Milford Town Hall located at 2857 State Highway 28 in the Town of Milford, Otsego County, New York, and (E) prepared a report of

WHEREAS, in connection with the Modification, the Company has requested that the Agency enter into a certain modification agreement dated as of December 1, 2022 (the "Modification Agreement"), by and between the Company and the Agency, together with related documents (collectively, the "Modification Documents"); and

WHEREAS, pursuant to 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 (collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Agency on June 24, 2021 (the "SEQR Resolution"), the Agency determined that the Project constituted a "Type II Action" (as such quoted term is defined under SEQRA), and therefore that no further action with respect to the Project was required under SEQRA); and

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

Section 1. Based upon an examination of the Modification, the Agency hereby makes the following determinations:

- (A) The Modification is consistent with the original description of the Project, and therefore constitutes a "Type II action" pursuant to 6 NYCRR 617.5(c)(2), and pursuant to 6 NYCRR 617.6(a)(1)(i), the Agency has no further responsibilities under SEQRA with respect to the Modification;
- (B) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act;
- (C) The Project constitutes a "project," as such term is defined in the Act;
- (D) The Project site is located entirely within the boundaries of Otsego County, New York;
- (E) The granting of the modified Financial Assistance pursuant to the Modification Agreement by the Agency with respect to the Project will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of Otsego County, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act;
- (F) The Agency kept the Supplemental Public Hearing open until Wednesday, December 13, 2022 to ensure that the "affected tax jurisdictions" (as defined in the Act) had adequate opportunity to comment on the Amended Application;
- (G) The Agency has reviewed the Report of the Supplemental Public Hearing and has fully considered all comments contained therein;
- (H) The Project should receive the modified Financial Assistance in the form of increased exemptions from sales tax; and
- (I) It is desirable and in the public interest for the Agency to enter into the Modification Documents.

Section 2. Subject to (A) compliance with the terms and conditions in the Basic Documents, (B) evidence of current certificates of insurance acceptable to the Agency, and (C) payment by the Company of all fees and expenses of the Agency in connection with the delivery of the Modification Documents, including the administrative fees of the Agency, and the fees of Agency Counsel and Agency Special Counsel, the Agency hereby (a) consents to the Modification and (b) determines to enter into the Modification Documents.

Section 3. Subject to the satisfaction of the conditions described in Section 2 hereof, the Chairman (or Vice Chairman) of the Agency is hereby authorized to execute and deliver the Modification Documents to the Company, 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, with such changes, variations, omissions and insertions as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

Section 4. 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 Modification 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 Modification Documents binding upon the Agency.

Section 5. Except as amended by this Resolution, the Approving Resolution, including the Exhibits attached thereto, shall remain in full force and effect and the terms and conditions thereof are hereby confirmed.

Section 6. All action taken by the (Vice) Chairman or the Chief Executive Officer of the Agency in connection with the Supplemental Public Hearing with respect to the Project prior to the date of this Resolution is hereby ratified and confirmed.

Section 7. This Resolution shall take effect immediately.

D. Rowley made a motion to approve the Amended Approving Resolution for Centrome Inc. d/b/a Advanced Biotech. T. Armao seconded the motion, and it was approved by remaining members present through a roll call vote.

Authorizing the CEO and the Director of Finance and Administration to Sign Contracts on behalf of the County of Otsego Industrial Development Agency –

RESOLUTION AUTHORIZING THE CEO AND THE DIRECTOR OF FINANCE AND ADMINISTRATION TO SIGN CONTRACTS ON BEHALF OF THE COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY

WHEREAS, the County of Otsego Industrial Development Agency (IDA) routinely receive grants from the NYS Empire State Development, the Appalachian Regional Commission, and the New York State Office of Housing and Community Renewal as well as other federal and state agencies; and

WHEREAS, contracts, incentive proposals, disbursement agreements, contract amendments, and other documents are often prepared by such federal and state agencies with the either the CEO or the Director of Finance and Administration signature required; and

WHEREAS, other agreements such as those of consultants are prepared for staff signatures; and

WHEREAS, lease agreements or contract documents between the IDA and other municipalities are also prepared for signatures of staff; and

WHEREAS, the IDA's adopted by-laws states "all agency instruments and documents shall be signed or countersigned, executed, verified or acknowledged by such officer or official or other person or persons as provided in these by-laws or as the Agency may...designate."

WHEREAS, this resolution would ratify any past contracts and documents that were previously signed by the CEO or the Director of Finance of the IDA; and

WHEREAS, our Counsel has indicated that the Board of Directors of the IDA may empower that staff can be authorized to sign these documents; now therefore be it

RESOLVED, the CEO and the Director of Finance and Administrations are hereby authorized to sign contracts, leases, and other documents on behalf of the IDA not including bond issuances, payment in lieu of tax agreements, or other documents which require the Chairman's or Vice Chairman's signature by law.

J. Lord made a motion to approve authorizing the CEO and Director of Finance and Administration to sign contracts on behalf of the IDA. J. Seward seconded the motion and it was approved by remaining members present through a voice vote.

Authorizing the CEO to hire additional staff if positions are approved in the Adopted Budget

RESOLUTION AUTHORIZING THE CEO TO HIRE ADDITIONAL STAFF IF POSITIONS ARE APPROVED IN THE ADOPTED BUDGET

WHEREAS, from time to time, new positions are created as part of the budget process; and

WHEREAS, the County of Otsego Industrial Development Agency (IDA) by-laws state that the Chief Executive Officer (CEO) shall have general supervision over the administration of the business and affairs of the Agency, subject to the direction of the Board; and

WHEREAS, the Agency by-laws also states that the CEO shall be charged with the management of all projects of the Agency; and

WHEREAS, the Agency's by-laws also state that the Agency may from time to time employ such personnel as it deems necessary to exercise its power, duties and functions as prescribed by the New York State Industrial Development Agency Act, as amended, and all other laws of the State of New York applicable thereto; and

WHEREAS, members of the Board of Directors have indicated that the hiring of additional personnel should be the responsibility of the CEO, and

WHEREAS, the CEO has the best understanding for knowing what types of individuals would be best needed to manage projects of the Agency as well compatibility with other staff; and approve positions in the Adopted budget.

WHEREAS, our Agency Counsel has indicated that the CEO could be authorized to hire staff by the Board of Directors, now therefore be it

RESOLVED, that the CEO of the Agency is hereby authorize to interview and hire additional staff consistent with approve positions in the Adopted budget.

D. Rowley made a motion to approve the CEO to hire additional staff that are approved in the adopted budget. T. Armao seconded the motion, and it was approved by remaining members through a voice vote.

Approving the Appointment of Gina Bologna as the Marketing Coordinator / Innovation & Acceleration Coordinator

RESOLUTION CONFIRMING THE APPOINTMENT OF GINA BOLOGNA AS THE MARKETING COORDINATOR / INNOVATION & ACCELERATION COORDINATOR

WHEREAS one of the Agency's priority projects for 2022 was the establishment of an Innovation and Acceleration Center; and

WHEREAS the Agency submitted a grant to the Appalachian Regional Commission (ARC) for the creation of the Innovation and Acceleration Center and called on the hiring of a Center Coordinator; and

WHEREAS ARC approved the Agency grant application in the amount of \$150,000 on September 1, 2022 with a contract start date on October 4, 2022; and

WHEREAS, at the Agency's Governance Committee Meeting on August 11, 2022, the Committee reviewed the job description for the Center's Director; and

WHEREAS, the position was advertised with the New York Business and Development Council, the New York State Department of Labor, and on Indeed and on Handshake; and

WHEREAS both the Chief Executive Officer and the Director of Finance and Administration made certain recommendations; and

WHEREAS the CEO made an offer to hire Ms. Gina Bologna on November 16, 2022 with a starting salary of \$44,000 plus an additional \$3,000 to supplement health insurance given to all employees; and

WHEREAS the CEO notified all Board members of the new hire and salary on November 17, 2022; now, therefore be it

RESOLVED, that the Board of Directors hereby confirms the appointment of Ms. Gina Bologna as the Marketing Coordinator / Innovation & Acceleration Coordinator at a combined salary and health insurance stipend of \$47,000 effective November 17, 2022.

J. Seward made a motion to confirm the appointment of Gina Bologna as the Marketing Coordinator/Innovation & Acceleration Coordinator for the IDA. J. Lord seconded the motion, and it was approved by remaining members through a voice vote.

PUBLIC COMMENT

There were no Public Comments for this meeting.

ADJOURNMENT

D. Rowley made a motion to adjourn the meeting of the IDA board at 8:21am.

UPCOMING MEETING SCHEDULE

- COIDA/OCCRC Audit & Finance Committee Meeting / Projects Committee Meeting – January 12th, 2023
- COIDA/OCCRC Board Meeting – January 26th, 2023

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