

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY

June 5, 2014

Meeting Minutes

CALL TO ORDER

Chair Sharon Oberriter called to order the meeting of COIDA at 7:34 a.m. at the COIDA offices located at 189 Main Street, Suite 500, Oneonta, NY. Voting members present included Sharon Oberriter, Bob Hanft, Joseph Bernier, Hugh Henderson, James Jordan, Leonard Marsh, and James Salisbury.

Also in attendance were Sandy Mathes, Elizabeth Horvath, Dawn Rivers, and Michelle Bosma. Guests included A. Joseph Scott, Kurt Schulte, Kathleen Clark, Katherine Stullgross, Jim Kevlin, Craig Gelbsman, and Mary Beth Bianconi.

PRESENTATION of DAWN RIVERS and INTRODUCTIONS

Ms. Oberriter introduced the newest member of COIDA's staff, Dawn Rivers: Office Manager and Director, Susquehanna Center for Jobs. Members of the Board, staff, and guests introduced themselves to Dawn.

MEETING MINUTES

Minutes for May 2nd and May 20th, 2014 were reviewed together. Ms. Oberriter requested that the motion to approve the minutes include both sets of minutes. Mr. Bernier moved to accept the minutes, Mr. Salisbury seconded, and the motion passed.

TREASURER'S REPORT

The Board reviewed May's financial statements. With little discussion, Mr. Salisbury motioned to approve the Treasurer's report, Mr. Hanft seconded, and the motion passed.

BILLS TO BE PAID and COMMUNICATIONS

Ms. Horvath distributed Bills to be Paid and Payroll reports. Ms. Oberriter asked everyone to note the application of the new policy that all recurring and budgeted bills be paid prior to monthly Board Meetings. A substantial portion of May's bills paid off the balance of COIDA's commitment to CADE and to CHA for their work on Pony Farms. Outfitting the new office space with furniture and computer systems comprised the other significant expense. Mr. Marsh moved to approve the Bills to be Paid and Payroll reports, Mr. Salisbury seconded, and with a roll-call vote (7 Aye, 0 No, 0 Abstaining), the reports passed.

PROJECT COMMITTEE UPDATES

Broadband Grant Status and Recommendation

Mr. Hanft relayed that the Project Committee convened on May 22nd, 2014. Mike Spagnola of CompDirectUSA had attended the Committee meeting but failed to produce the detailed business plans that he had agreed on March 19th, 2014, to provide within 30 days of that meeting. The Project Committee recommended that the Board terminate its grant relationship with CompDirectUSA and request a full accounting of the \$150,000 loan issued to the company for equipment, design, and working capital. The terms of COIDA's loan with CompDirectUSA required the money to be placed in a segregated account. The Board agreed to investigate further the manner in which these funds were stored and spent and, if necessary, to pursue legal action with CompDirectUSA.

Mr. Mathes addressed the related issues of feasibility and long-term planning. Mr. Mathes requested that the Board authorize the formulation of an "Implementation Plan" to create a strong business model and to bolster COIDA's confidence in its ability to provide broadband access, working with experts in the field to assess the County's current broadband coverage, and its needs. Mr. Mathes shared his preliminary vision. Broadband infrastructure exists in and benefits the communities of Richfield, Cooperstown, and Oneonta. COIDA should strive to expand access outward from these regions to more remote areas. Mr. Mathes stated that Otsego Rural Electric Cooperative has offered to partner with COIDA in this mission. Mr. Hanft and Ms. Oberriter offered another potential partner, Tim Johnson, formerly of Edmeston and an expert attorney on this very issue.

Mr. Jordan moved to discontinue COIDA's relationship with CompDirectUSA, to recoup funds already spent, and to pursue legal action if necessary. The motion also included permission to launch an "Implementation Plan" as described by Mr. Mathes. Mr. Salisbury seconded the motion. With a roll-call vote (7 Aye, 0 No, 0 Abstaining), the motion passed.

Delaware Engineering

Mr. Hanft described the allure of the Pony Farms business park site. With easy access from Rt. 88, Pony Farms is equipped with water, electric, and natural gas. COIDA has been working with Mary Beth Bianconi from Delaware Engineering to prepare Pony Farms industrial park as a "shovel-ready" site. Mr. Hanft noted the excellent price of Delaware Engineering's services and his satisfaction with their work to date.

Mary Beth Bianconi presented the process of making Pony Farms "shovel-ready" and pre-permitted for the most "intensive" possible use for the site, so that prospective buyers would have predictability in terms of start timeframes. Ms. Bianconi described Delaware Engineering as a company that can prepare Pony Farms to be as alluring as possible to potential industries, and as a company that can "hold the hands" of businesses as they establish themselves at Pony Farms.

Mr. Hanft and Mr. Bernier brought up the issue of Pony Farms' covenants, which expired in May 2014. The Project Committee will take up the matter of re-adopting, revising or dropping the covenants.

Mr. Bernier motioned to authorize engaging Delaware Engineering, Mr. Marsh seconded, and with a roll-call vote (7 Aye, 0 No, 0 Abstaining), the movement passed.

CFA Submissions

According to Mr. Mathes, COIDA's priority projects include the Susquehanna Regional Center for Jobs, an agricultural microenterprise grant, and others, including several economic development grants that would offer funds for equipment and working capital to half a dozen local businesses. COIDA is working directly with Shelter Planning to meet the June 16th and June 30th submission deadlines.

For the projects, Mr. Mathes alleviated potential concerns about application costs. He reminded the Board that COIDA will only pay Shelter Planning, Inc. if that consultant submits our applications on time. Further, some of the application costs will likely be recovered after grants have been awarded. Mr. Marsh countered that there is a possibility that COIDA will pay \$24,000 in application fees without being awarded a single grant. Mr. Hanft commended the effort to fund these projects; these projects are not confined to Oneonta, they are located throughout Otsego County. With that thought, Mr. Mathes requested funding for feasibility study of a possible business park near the Oneonta airport, plus a boutique hotel in Oneonta.

Mr. Jordan motioned to authorize funding for a feasibility study of a possible business park near the Oneonta airport, plus a boutique hotel in Oneonta. Mr. Bernier seconded the motion, and the motion passed.

Mr. Marsh motioned to authorize CFA submissions – up to \$5k for individual CDBG applications and up to \$24k total - and to pass the Resolution concerning the Chair signing off on CFA submission. Ms. Oberrieter seconded the motion, and will a roll-call vote (7 Aye, 0 No, 0 Abstaining), the motion passed.

RESOLUTIONS

Mr. Shulte and Mr. Scott suggested that we restructure the order of the meeting so as to allow for the Resolution concerning condemnation to be discussed last, as that discussion (contracts) would necessitate executive session. Ms. Oberrieter appreciated the suggestion and agreed to alter the order of the agenda.

Resolution Concerning PILOT for Manor Purchase

Mr. Scott presented the resolution concerning the PILOT agreement for the Manor's purchaser. A discussion detailing the specifics of the changed costs ensued; a math error was discovered and corrected.

Mr. Bernier motioned to approve the Resolution after corrections had been made to the mathematical error. Mr. Salisbury seconded, and with a roll-call vote (7 Aye, 0 No, 0 Abstaining), the motion passed.

Resolution Concerning Approving Klugo Mortgage

Chip Klugo is in the process of obtaining a \$645,000 mortgage on Parkview Place, the PILOT agreement of which estimated the total cost of the project at \$4.7 million. At the time, rather than receiving a fee of $\frac{3}{4}$ of 1% (COIDA's standard PILOT fee), or \$35,250, COIDA received \$7,500. Mr. Mathes observed that COIDA cannot sacrifice its administrative fees, which feed directly into economic development for

the region. Mr. Scott stated that he will insert a \$2,400 administrative fee (approximately half of the value of $\frac{3}{4}$ of 1% of \$645,000) on page 3 of the resolution.

Mr. Salisbury moved to approve the Resolution Concerning Approving the Klugo Mortgage. Mr. Bernier seconded, and with a roll-call vote (7 Aye, 0 No, 0 Abstaining), the motion passed.

VOLUNTARY PILOT FUNDING FOR ONEONTA CITY SCHOOLS AND OTHERS

Ms. Horvath reminded the Board that it was time to revisit the issue raised in an earlier Board meeting concerning whether, and to what level, COIDA would choose to continue to make voluntary PILOT payments to local taxing entities. Mr. Mathes argued that the agency's investments in the city itself (via investments in industry) provide longer-term value than the PILOT payments. Ms. Oberriter suggested that Ms. Horvath compile a list of 2014's voluntary PILOT payments for the Governance Committee to review, and that the Committee then present its recommendation to the Board.

AUTHORIZATION OF RFP FOR CREATIVE CONSULTANT

Ms. Horvath has been communicating with three creative companies about designing a brand/logo/website for COIDA. Mr. Jordan moved to authorize RFP for a creative consultant; Mr. Hanft seconded. All were in favor, and the movement passed.

INVENTORY OF CONSULTANTS

Ms. Bosma compiled an inventory of consultants for the Board's review as per their request at the May 20th, 2014 meeting. Ms. Clark requested that COIDA provide an update for the County from Mr. Sicherman.

BEST PRACTICES FOR IDAS

Mr. Scott directed the assembly's attention to a schedule that he prepared for COIDA's administrative staff to use. Following the schedule will ensure that COIDA maintains compliance with all applicable laws. The schedule is drawn from activities described in the agency's Policy Manual.

DEBIT CARD USED FOR OYSA

The Board had previously agreed to issue a debit card (attached to COIDA's Community Bank checking account) for COIDA to use to provide its budgeted contribution to WNSC to the Oneonta Youth Soccer Association, whose online fundraising system (matching grant from Dick's Sporting Goods) would only accept credit or debit card donations. COIDA's contribution helped OYSA meet its goal and thus receive a matching grant of nearly \$35,000. Ms. Horvath requested that, now that the transaction has been very successfully completed, the Board allow her to destroy the debit card. The Board concurred and the debit card was destroyed.

Mr. Bernier motioned to grant permission to destroy COIDA's debit card; Mr. Salisbury seconded; all were in favor and the motion passed.

COUNTY ECONOMIC DEVELOPMENT UPDATE

Mr. Mathes received a letter from the Otsego County IGA Committee declaring that the County will not act on COIDA's offer to assume the County's small business loan and grant portfolio, and small business and Main Street business development activities. The letter indicated that the County is "working to put its house in order."

Ms. Clark and Ms. Stuligross offered themselves, as well as Angela Bouchard, to be contact people for any County work that enters COIDA's domain. Ms. Horvath, Mr. Mathes, and Ms. Bosma all expressed appreciation for their help, as some County work has followed COIDA to 189 Main.

Mr. Mathes requested permission to draft a letter of response to the County IGA Committee. Ms. Oberriter agreed that a response would be appropriate, and requested that Mr. Mathes first share a draft of the letter to the Board.

FOOTHILLS Performing Arts Center LOAN

Ms. Horvath indicated to the Board that, upon reviewing the loan documents, COIDA should expect payments from Foothills PAC to begin next month. Ms. Horvath asked the Board whether anyone had knowledge of whether this was a loan, or meant to be considered a grant (loan documents have no indication of grant); no Board member did. Ms. Horvath indicated her intent to initiate a new policy: sending a letter requesting the payment agreed upon in the loan documents. Ms. Oberriter approved Ms. Horvath's new policy.

RESOLUTION CONCERNING CONDEMNATION FOR MANOR PURCHASE

Mr. Salisbury motioned to enter executive session to discuss the Resolution concerning a condemnation procedure related to the Manor purchase. Mr. Bernier seconded, and at 9:27a.m. the Board entered executive session.

Discussion ensued. At 10:51a.m. the Board re-entered open session.

Mr. Bernier motioned to approve the Resolution concerning the condemnation. Mr. Hanft seconded the motion, and with a roll-call vote (7 Aye, 0 No, 0 Abstentions), the motion passed.

CLOSE OF MEETING

Ms. Oberriter reminded the Board that the new meeting time – adopted at May's monthly Board meeting – is 8:00a.m., starting July 3rd.

There being no further business, at 10:00 am, Mr. Bernier moved to adjourn the meeting, Mr. Hanft seconded, and the meeting adjourned.