

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY

May 3, 2007

CALL TO ORDER

Chairman Joseph Bernier called the monthly meeting of the COIDA to order at 7:30 AM at the Otsego County Economic Development Office, 242 Main Street, Oneonta, New York. Voting members present included Joseph Bernier, Walter Buist, Hugh Henderson, Jeff Lord, Len Marsh, Sharon Oberriter, Greg Relic and Jim Salisbury. Absent was member Richard Hanna. Also present were Carolyn Lewis, Al Quick, Kurt Schulte and Rob Robinson. In attendance representing Bassett Healthcare were Carmen Mazotta of Health Capital Partners, Joe Middleton, Corporate Vice President of Corporate Support Services and Facility Planning, and Fred Ploutz, Administrative Director of Corporate Support Services.

WELCOME

Mr. Bernier welcomed everyone to the meeting and thanked them for their attendance.

SPECIAL PRESENTATIONS

Templeton Foundation Bond Request Follow-up

Mr. Bernier reintroduced Mr. Mazotta, Mr. Middleton, and Mr. Ploutz who gave a brief update on the status of their projects.

As a follow-up to the April 12th IDA meeting, Mr. Middleton further explained the environmental issues being addressed for their project sites – particularly the Greystone Building in the Town of Hartwick. Mr. Middleton stated that they are trying to resolve the SEQR review process discrepancies with the Town of Hartwick. He noted that the Town of Hartwick would like to be the Lead Agency. Mr. Middleton stated that this arrangement might complicate and delay the process. Therefore, Templeton is requesting that the IDA be Lead Agency for SEQR. The Board agreed that this was a reasonable request, and within their authority.

Mr. Middleton noted that resolving the SEQR issue is the next step, and since the project is a reconstruction, there are no site plan reviews or zoning regulations to contend with. At this time, it is believed that the Town of Hartwick is not considered to be an involved agency since there are no permits to issue.

Mr. Middleton corrected himself from the last meeting to a question asked by Ms. Oberriter about potential water issues from the project being in the Susquehanna Water Basin. He stated that the project is in the Basin and that the project is well within compliance from the commission. He said he would seek a legal opinion from his council.

As to a water supply, Mr. Middleton stated that they have conducted an independent test which shows their usage will be well below the available capacity on site. They estimate that their peak water usage would be approximately 13,000 gallons per day. They will conduct additional tests that will be monitored by the Department of Health (DOH). He stated that they have shared their preliminary test results with the Town of Hartwick Planning Board. According to Mr. Middleton, their septic plans are presently at the DOH for review.

Mr. Middleton stated that Matt Hamlin, Templeton's Bond Council, and Joe Scott, the IDA's attorney, would work together with officials from the Town of Hartwick to come to mutual consensus on moving forward with the project as it relates to the SEQR issue. He stated that if the Town of Hartwick required any expertise in reviewing the Environmental Assessment Form (EAF) Templeton Foundation would be able to pay for any technical expertise. Ms. Lewis indicated she was planning to attend the Town of Hartwick Planning Board meeting on May 8th.

After significant consideration of involvement and timing, Mr. Bernier asked the Board to consider conducting their own SEQR review. He suggested that the IDA act on SEQR using the assistance of the County Planning Department to make a determination regarding environmental impact as it relates to COIDA's involvement. He stated that if the Town of Hartwick chooses to request more information they may do so before issuing any building permits.

Mr. Bernier noted that in the past the County Board of Representatives waited for the SEQR to be completed before voting on a tax-exempt resolution. At the request of the IDA, Mr. Scott, the IDA Bond Council, spoke with Mr. Klafehn about presenting the tax-exempt resolution to the County Board before SEQR was completed. Mr. Klafehn agreed to the IDA's request for a change of procedure based on the timing issues.

According to Mr. Middleton, there are no major obstacles to the project on Associates Drive in Oneonta. They have already submitted their application for a building permit to the City of Oneonta.

Ms. Lewis stated that the Public Hearing for the Bond Issue has been scheduled for May 17, 2007. A tax-exempt status resolution will be brought forth to the County Board on June 6, 2007 and the COIDA final inducement will be voted on June 7, 2007.

APPROVAL OF MINUTES

Mr. Bernier asked for a motion to approve the April 12, 2007 minutes with no changes; Mr. Relic motioned; Mr. Salisbury second; motion carried by unanimous vote (8 yes, 0 no, 1 absent).

TREASURER'S REPORT

Mr. Lord stated that there was no April Treasurer's Report to present since the bank statements have not been received.

BILLS TO BE PAID

Ms. Lewis reviewed the April bills to be paid.

Mr. Bernier asked for a motion to approve the April bills to be paid; Mr. Relic motioned; Ms. Oberriter second; motion carried by roll call vote (8 yes, 0 no 1 absent).

CHAIRMAN'S REPORT

Status of Springbrook Bond Issue

Mr. Bernier gave an update on the current status of the Springbrook Bond Issue. He noted that their SEQR has been completed and found to not have an adverse effect. He stated that Springbrook is still waiting for financing sign-off from the State Education Department. Mr. Bernier expects that the Springbrook and Templeton Bond resolutions can be presented to the County Board on June 6, and receive an IDA Final Inducement on June 7, 2007.

HW Naylor Loan Request

Ms. Lewis presented a loan application received from David Lucas requesting a \$150,000 loan. Mr. Lucas is purchasing the HW Naylor Company of Morris, NY. HW Naylor has been manufacturing animal health products at their Morris location since 1926. According to Mr. Lucas, HW Naylor has pending contracts with complementary manufacturers to co-package their products into European markets.

The total project cost is estimated at \$725,000. HW Naylor expects to retain the 8 current employees. The issue of Lucas' collateral will be worked out between NBT and COIDA with the hope that a first position can be secured on the Real Estate located in Morris, in addition to any available unsecured machinery and equipment.

Ms. Lewis noted that the Project Committee has recommended approving the loan to HW Naylor.

The Board discussed many issues concerning the retention of existing employees, the ability to maintain the business in Morris, opportunities for new markets, and the value of the HW Naylor name. Ms. Lewis noted that Mr. Lucas believes there is tremendous growth potential in the "companion pet" industry. Any new pet products would be manufactured elsewhere due to the complexities of FDA licensing regulations.

Of most concern to the Board was that the business would relocate out of the county after 5 years. It was suggested that the loan documents try to secure the business residency as best as possible.

Mr. Bernier asked for a motion to approve the loan to HW Naylor for \$150,000 at a 4% interest rate for the term of 10 years; Mr. Relic motioned; Ms. Oberriter second; motion carried by a unanimous vote (8 yes, 0 no 1 absent).

Keystone Engineering "On-Call Services" Contract

Mr. Bernier asked for a motion to approve the Keystone Engineering "On-Call Services" Contract with the payment of a retainer fee totaling \$5,000 to be used as needed; Mr. Marsh motioned; Mr. Salisbury second; motion carried by a unanimous vote (8 yes, 0 no 1 absent).

Review of PAAA Policy and COIDA By-Laws

Mr. Bernier reviewed the PAAA Policy and COIDA By-Laws presented by Joe Scott at the April meeting. He pointed out that the presented policies are the recommended practices. Mr. Marsh recommended that the policies be approved subject to further review and modification. Mr. Bernier suggested each of the Board members to take one article from the PAAA Policy to review and report on at next month's meeting.

Ms. Lewis noted that the NYSEDC has asked local IDAs to adopt "Recommended Practices." Sample resolutions were handed out. Once the IDA Policies were put in place, the Board felt the recommended practices were usable.

Mr. Bernier asked for a motion to approve the PAAA Policy and COIDA By-Laws subject to further review and modification ; Mr. Marsh motioned; Ms. Oberriter second; motion carried by a unanimous vote (8 yes, 0 no 1 absent).

ADMINISTRATIVE DIRECTOR'S REPORT

BuyTheBid Loan Status

Ms. Lewis stated that BuyTheBid's loan has been paid in full.

Equissentials Loan Status

Ms. Lewis informed the Board that Equissentials has filed for Chapter 7 Bankruptcy. She stated that it was unclear if there would be any recoverable assets.

Butternuts Beer & Ale Loan Status

Ms. Lewis informed the Board that Butternuts Beer & Ale is working on a corporate restructure/partner buy-out. She stated that Butternuts Beer & Ale would likely approach the IDA to restructure their existing IDA loan.

Upcoming Events

The Annual NYSEDC Conference will be held from June 11-13 at the Otesaga Hotel in Cooperstown. This event was budgeted for Carolyn and Al to attend.

An IEDC Basic ED Training course was budgeted for Al to attend in Albany. The course will be held from June 25-28.

The Marketing Committee approved and budgeted for participation in this year's annual Otsego Chamber Golf Tournament.

Civic Facility Legislation

Mr. Lewis distributed an overview of Civic Facility Legislation recommendations from NYSEDC. Mr. Bernier noted that letters requesting support for the continuation of this legislation has been sent to Bond clients as well as our elected officials. He suggested that a letter be sent to Dan Gunderson, requesting his support.

OLD BUSINESS

There is no old business at this time

NEW BUSINESS

There is no new business at this time

FUTURE MEETING

The next meeting of the COIDA will be June 7, 2007 at 7:30 AM at 242 Main Street, Oneonta.