

County Legislature votes to rework PILOT, IDA agreement

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PULASKI — The Oswego County Legislature voted Thursday to rework specifics of the County of Oswego Industrial Development Agency's (IDA) ability to provide funds to businesses and organizations seeking economic assistance.

According to Oswego County administrator Phil Church, the IDA will

no longer operate a revolving loan fund using Payment in Lieu of Taxes (PILOT) revenue, but will retain the option of using other methods of financial backing to qualified parties.

Following a contentious debate regarding the philosophy of the IDA and its practices, legislators voted that 10 percent of the PILOT revenue collected by the county and the IDA yearly would be "retained ... to capitalize an economic development fund"

until the balance reaches \$2.5 million. Any uncommitted funds in excess of that \$2.5 million cap will be transferred to the county to off-set property taxes and balance the budget, according to Church.

The resolution was spurred, in part, by an audit of the IDA by the office of New York State Comptroller Thomas DiNapoli released earlier this year which found shortcomings in oversight of the revolving loan fund.

"It's critical for our economic development to have that action taken," said IDA Executive Director L. Michael Treadwell, referring to the passage of the resolution.

According to Church, while the IDA will no longer operate loans the way it has previously, the PILOT funds affected by the resolution will be available for alternative allocations

such as "lease-to-own" programs, where the IDA would have the option to make large purchases such as machinery for businesses, which would then make payments to the IDA until the balance is paid off.

"Funding can be earned in other ways," said Church.

Church also noted that PILOTs from the Nine Mile and Fitzpatrick nuclear facilities are not part of the 10 percent. The taxing jurisdictions of Oswego and Scriba will receive the full amount.

During the debate, Legislator

Frank Castiglia, D-Fulton, introduced a motion that would cut the 10 percent down to 5 for two years, citing the need to further assess the impact and effectiveness of the IDA.

"I want to bring this county into the 21st century," said Castiglia. "We're stagnant. I want to move us forward."

Castiglia's motion was ultimately defeated in a roll call vote. Legislator Shawn Doyle, R-Pulaski, praised the IDA's impact on the county economic landscape, saying it gave Oswego an "extra edge" to stay competitive.

"[The IDA] has helped keep

businesses here," said Doyle. "We need to put tools in the toolbox for economic development. We're responding to the Comptroller's audit — we're retooling."

Minority Whip Doug Malone, D-Oswego Town, attempted to table the resolution until a later date, saying he agreed with Castiglia's motion to enact a two-year review process.

"This should be looked at, bounced around the economic development committee," said Malone. Malone's motion to table the resolution was also defeated in a roll-call vote.

Legislator Jake Mulcahey, D-Oswego, supported both Castiglia's and Malone's motions, saying it was in the best interest of the county to come to a "compromise."

"I've always supported [the IDA] and defended the loans they extend," said Mulcahey. "But I want to get away from what looks like spending taxpayer money (referring to the PILOT agreements). No one's arguing the effectiveness of [the IDA] but let's phase out spending taxpayer dollars."