

County of Oswego Industrial Development Agency



*Universal Metal Works -
Davis-Standard*



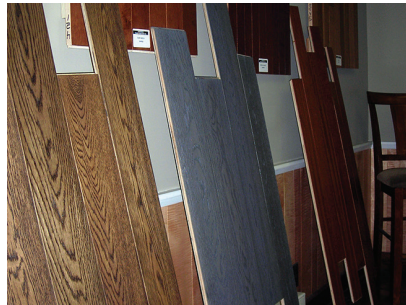
Sunoco



Fulton Animal Hospital



Holiday Inn Express



*Designer Hardwood Flooring
CNY*



The Gardens by Morningstar



Annual Report
FY 8/1/14-7/31/15

Enabling Legislation

In accordance with New York State General Municipal Law article 18-A, the County of Oswego Industrial Development Agency was formed on April 25, 1973. Section 911-b constitutes the enabling legislation for the County of Oswego Industrial Development Agency.

Section 911-b: County of Oswego Industrial Development Agency

For the benefit of the County of Oswego and the inhabitants thereof, an industrial development agency, to be known as the COUNTY OF OSWEGO INDUSTRIAL DEVELOPMENT AGENCY, is hereby established for the accomplishment of any or all of the purposes specified in title one of article eighteen-A of the General Municipal Law. It shall constitute a body corporate and politic, and be perpetual in duration. It shall have the powers and duties now or hereafter conferred by title one of article eighteen-A of the General Municipal Law upon industrial development agencies and provided that the exercise of the powers by such agency with respect to the acquisition of real property whether by purchase, condemnation or otherwise, shall be limited to the corporate limits of the county of Oswego, and such agency shall take into consideration the local zoning and planning regulations as well as the regional and local comprehensive land use plans. It shall be organized in a manner prescribed by and be subject to the provisions of title one of article eighteen-A of the General Municipal Law. Its members shall be appointed by the governing body of the county of Oswego. The agency, its members and officers and its operations and activities shall in all respects be governed by the provisions of title one of article eighteen-A of the General Municipal Law.

Board of Directors

Carolyn A. Rush
Chair

Gary T. Toth
Vice Chair

H. Leonard Schick
Secretary/Treasurer

Nicholas M. Canale

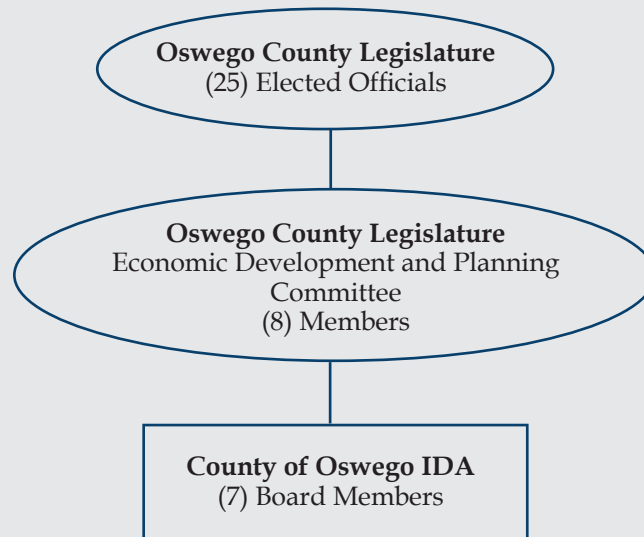
Jonathan Daniels**

Donald H. Kunzwiler

Morris Sorbello

L. Michael Treadwell, CEcD*
Chief Executive Officer

David S. Dano*
Chief Financial Officer



* Contracted administrative agreement with Operation Oswego County, Inc. for professional services.

**Vacancy as a result of resignation dated 8/6/13.

Mission Statement

The County of Oswego Industrial Development Agency’s mission is to establish and implement sound economic development strategies in order to enhance the economic vitality of Oswego County’s businesses, industries, communities, and citizens, leading to an overall better quality of life. Key to the Agency’s mission is the creation and retention of job opportunities, diversification and strengthening of Oswego County’s economic base, and developing the local economy in a planned, organized, and environmentally compatible manner.

Goals

- To create new employment opportunities through the attraction of or the creation of new businesses;
- To create new employment opportunities through the expansion of existing businesses;
- To retain existing employment opportunities;
- To enhance and encourage capital investment by new and expanding businesses;
- To increase the County's tax base;
- To help stabilize and diversify the County's local economy;
- To help facilitate the development of essential services or businesses generally lacking in the County;
- To recognize the importance of the overall multiplier economic impacts of projects;
- To target financial assistance to key industrial clusters critical to the County's economy, including manufacturing, healthcare, education, tourism, energy, and agribusiness;
- To leverage the greatest level of private and non-IDA financial assistance as possible;
- To coordinate efforts to help improve the competitive position of businesses and spur initiatives that help to improve the overall business climate;
- To work cooperatively with local governments, economic development partners, and school districts to further economic development progress;
- To advance Oswego County's economy through regional cooperation and collaboration;
- To enhance media and educational outreach initiatives; and
- To improve the quality of life in Oswego County.

Objectives

- The issuance of Private Activity Bonds (tax-exempt or taxable bonds) to finance eligible manufacturing and commercial projects. The issuance of Civic Facility Revenue Bonds (tax-exempt or taxable bonds) to finance eligible not-for-profit 501(c)(3) organizations' projects (subject to authorizing NYS legislation).
- To help support and work cooperatively with the Oswego County Civic Facilities Corporation to help finance eligible not-for-profit 501(c)(3) organizations' projects with Civic Facility Revenue Bonds.
- The issuance of tax-exempt bonds for pollution control facilities.
- The issuance of tax-exempt bonds for other projects that are eligible for financing in compliance with Federal and NYS legislation.
- Providing to eligible and qualified businesses exemptions from real property taxes, sales and use taxes, and mortgage recording taxes consistent with the County of Oswego IDA's Uniform Tax Exemption Policy and in compliance with NYS legislation.
- Providing financial assistance to micro-enterprise businesses utilizing the County of Oswego IDA's Micro-Enterprise Economic Development Fund.

Objectives, cont.

- Partnering with IDAs and EDOs in CNY to support the CNY REDC’s efforts to retain consulting services to assist with the URI application process (\$25,000 commitment).
- Providing financial assistance to eligible and qualified businesses utilizing the County of Oswego IDA’s PILOT Economic Development Fund and HUD Economic Development Fund.
- Utilizing the County of Oswego IDA’s General Economic Development Fund to enhance economic development initiatives and strategies.
- Providing financial assistance to eligible and qualified businesses utilizing the USDA Intermediary Relending Program (IRP).
- Serving as a conduit, as appropriate, to apply for and secure Federal and State government grants and/or loans for economic development projects.
- Providing interim financing for eligible and qualified businesses that will be receiving permanent financing through the SBA 504 loan program in cooperation with Operation Oswego County, Inc.
- Assisting in acquiring, constructing, and renovating necessary and appropriate real estate, working in cooperation with Operation Oswego County, Inc., to enhance and further economic development, including industrial park properties, incubator facilities, speculative buildings, and sites, etc.
- Collecting and distributing PILOT payments to taxing authorities in accordance with the General Municipal Law of the State of New York.
- Complying with the State Environmental Quality Review Act (SEQRA) on all projects assisted by the County of Oswego IDA.
- Working in partnership with government, education, labor, business and economic development agencies to maximize development potential and sustainability of the economy in Oswego County.
- To be in compliance with all reporting and policy requirements specified by the NYS GML, NYS Office of the State Comptroller, NYS ABO and the NYS PAL.

Meetings Held

8/11/14 2/26/15
 9/9/14 3/24/15
 9/17/14 4/16/15
 10/8/14 5/8/15
 11/12/14 6/4/15
 12/5/14 6/22/15
 12/22/14 7/14/15
 1/14/15 7/31/15
 2/12/15

Public Hearings Held

8/12/14 Branch Development Oswego, LLC
 (Holiday Inn Express)
 1/13/15 Hardwood Transformations, Inc. and
 Designer Hardwood Flooring CNY, Inc.
 2/24/15 Universal Metal Works, LLC
 5/7/15 SolarCity Corporation (Scriba)
 5/7/15 SolarCity Corporation (Volney)
 5/27/15 Port City Logistics, Inc.
 6/19/15 Sunoco, Inc.

Compliance & Reporting/Other Activities

- The ESDC Notification of Initial Allocation for the issuance of Private Activity Bonds for 2015 was \$4,038,429.
- IDA annual employment survey completed.
- Member of the Council of Development Finance Agencies.
- Returned \$276 to HUD as required for earned interest in 2014.
- Annual Financial Report and Audit Report filed with the NYS Office of the State Comptroller, County of Oswego and ESDC for FY ended 7/31/14.
- Maintained IDA website to comply with the Public Authorities Accountability Act (PAAA) (www.oswegocountyida.org).
- Continued an administrative agreement for professional services with Operation Oswego County, Inc. through 2016.
- UTEP deviation notifications were filed with the taxing authorities for the following 5 projects:
 - Branch Development Oswego, LLC (Holiday Inn Express);
 - SolarCity Corporation (Scriba);
 - SolarCity Corporation (Volney);
 - Designer Harwood Flooring CNY, Inc.; and
 - Hardwood Transformations, Inc.
- Appointment of Project Operator or Agent (ST-60) filed with the NYS Department of Taxation and Finance for the following 19 projects:
 - Parsons-McKenna Construction Co. (Holiday Inn Express);
 - Sunoco, Inc.;
 - Branch Development Oswego LLC (Holiday Inn Express);
 - Modular Comfort Systems (Novelis Corporation - Hawk);
 - Universal Metal Works;
 - Whelan & Curry Construction Services, Inc. (Universal Metal Works);
 - Industrial Contracting, Inc. (Novelis Corporation - Hawk);
 - Burns Bros. Contractors Inc. (Novelis Corporation - Hawk);
 - Griffin Insulation Co., Inc. (Novelis Corporation - Hawk);
 - Murane Building Contractors, Inc. (Novelis Corporation - Hawk);
 - M&A Holdings of CNY, LLC (The Gardens by Morningstar);
 - SAM North America, LLC;
 - Lewis Painting (Novelis Corporation - Scrap);
 - JOH Commercial Flooring, Inc. (Novelis Corporation - Hawk);
 - Northeast Masonry, Inc. (Novelis Corporation - Hawk);
 - W.D. Malone Trucking & Excavating (Novelis Corporation - Scrap);
 - Rombough Electric, Inc. (Novelis Corporation - Scrap);
 - J&A Mechanical Contractors, Inc. (Novelis Corporation - Scrap); and
 - Bon-Ton Glass Company (Novelis Corporation - Scrap).

Compliance & Reporting/Other Activities, cont.

- Filed RP-412-a applications to all taxing authorities in accordance with Real Property Tax Law and General Municipal Law, Section 874, for the following 8 projects:
 - MDDO LLC (Eagle Beverage Co.);
 - Novelis Corporation (Hawk);
 - Novelis Corporation (Scrap);
 - Huhtamaki;
 - Universal Properties of NY, LLC (Universal Metal Works);
 - Hardwood Transformations, Inc.;
 - Designer Hardwood Flooring CNY, Inc.; and
 - M&A Holding of CNY, LLC (The Gardens by Morningstar).
- Officers included Carolyn A. Rush (chair), Gary T. Toth (vice chair), and H. Leonard Schick (secretary/treasurer).
- L. Michael Treadwell served as CEO and David S. Dano served as CFO.
- Reviewed monthly loan delinquent reports.
- Continued to follow NYSEDC Best Practice Recommendations.
- Four IDA Directors, Counsel and the CEO have participated in PAAA Training sponsored by the NYSEDC or other State approved training.
- In compliance with the Public Authorities Law, filed Budget Reports for FY ending 7/31/14, 7/31/15 and 7/31/16 with the NYS ABO and County.
- Complied with the filing of the Annual Certification of Code of Ethics and Annual Financial Disclosure Statement to the County of Oswego Board of Ethics.
- Goals of the Agency were reviewed, no changes.
- Entered into an Affiliation Agreement for Start-Up NY with SUNY Oswego for the Designer Harwood Flooring CNY, Inc. project.
- Continued to use the Discretionary Funds Policy.
- CEO continued to be authorized to be the primary Authorizer Designation for PARIS.
- Reviewed and continued to use the Procurement Policy in compliance with GML.
- Reviewed the Disposition of Property Guidelines, no changes made, CEO appointed to serve as the Contracting Officer, filed with the NYS OSC.
- Annual Report for FY ended 7/31/14 was prepared and posted on the Agency's website.
- The Investment Policy was in compliance with the collateral requirements for FY ended 7/31/14.
- Annual review of the Conflict of Interest Policy was conducted, no changes recommended. Conflict of Interest Annual Statements completed.
- Temporary deferments on loan/lease payments were granted for the following 3 projects: Mahalaxmi Motels; Lower Falls Development; and Puddle Jumpers.

Compliance & Reporting/Other Activities, cont.

- Grossman St. Amour CPAs, PLLC conducted the audit for FY ended 7/31/14.
- PARIS reporting for FY ended 7/31/14 was successfully completed.
- The Agency's approval to participate in the USDA Business & Industry Guarantee Programs as a "Non-Traditional Lender" was continued to be evaluated for projects.
- At the request of the Agency, the Oswego County Legislature has created a development corporation under 1411 of the NYS Not-for-Profit Law for the sole purpose of issuing Civic Facility Bonds for eligible 501 (c)(3) organizations. The Oswego County Civic Facilities Corporation was not active during the FY.
- Annual Board of Directors Evaluation was completed in accordance to the NYS ABO Policy Guidance for 2015.
- The Agency continued to operate the USDA Intermediary Relending Program for working capital and equipment. A three year extension request and a scope of work change through 2017 was approved.
- In compliance with Section 2824-a and Section 2800 of the PAL, the Agency's Mission Statement and Performance Measurements that were submitted to the NYS ABO remained unchanged.
- Annual performance review of the CEO and CFO was conducted.
- Continued the designation of the Secretary of State as an Agent for Service of a Notice of Claim pursuant to GML.
- A CFA application in Round 4 for ESDC funding to conduct a feasibility study to develop a small business incubator in the City of Oswego was approved (\$30,000). The study by Vantage Point and the C&S Companies was 90% completed.
- Code of Ethics Policy was reviewed and no changes made.
- A CFA application in Round 5 for ESDC funding to assist in the development of the 43,000 SF former Price Chopper into a mixed-use incubator in the City of Oswego was submitted for funding consideration in the amount of \$1 million.
- Pursuant to Section 103 and Sections 142 and 144 of the Internal Revenue Code, a Tax-Exempt Bond Post-Issuance Compliance Policy was unchanged.
- Adopted FOIL Policy was continued.
- Corrective Action Plan filed for the NYS OSC Audit Report of Examination 2014M-356.

Project Assistance

Project	Location	Type	Projected Jobs		Financial Assistance		Total Project Cost \$	Status
			New	Ret.	Type	Amount \$		
Counseling & Healing Arts	Fulton City	Service/Healthcare	2	—	PILOT EDF	53,200	227,750	Funded
Designer Hardwood Flooring CNY	Oswego City	Manufacturing	17	—	PILOT EDF	250,000	738,000	Funded
					S/L	142,460		Leased
					IRP EDF	100,000		Funded
Felix Schoeller North America	Richland	Manufacturing	36	—	PILOT EDF	200,000	3,200,000	Funded
Fulton Animal Hospital	Fulton City	Service	1	3	PILOT EDF	74,880	509,200	Funded
M&A Holdings of CNY (The Gardens by Morningstar)	Oswego City	Service/Healthcare	38	—	HUD EDF	300,000	4,892,000	Funded
					S/L	2,117,440		Leased
Sweet Inspirations	Fulton City	Service	25	—	IRP EDF	99,500	616,000	Funded
Huhtamaki	Fulton City	Manufacturing	25	—	S/L	633,435	3,489,300	Leased
Design Concepts and Enterprises, LLC	Hastings	Manufacturing	40	—	S/L	118,260	849,500	Delayed
Fred Raynor Ford (Not included in Totals)	Granby	Retail/Service	(10)	(27)	PILOT EDF	(300,000)	(3,075,000)	Canceled
					S/L	(420,414)		Canceled
V-Squared Management, LLC (Kallet Theater)	Richland	Service/Recreation	4	—	PILOT EDF	390,250	1,500,000	Funded
Debbie's Hash & Mash Café	Volney	Service	6	—	MEP EDF	25,000	134,000	Approved
Sunoco, Inc.	Volney	Manufacturing	18	—	S/L	5,566,000	35,500,000	Approved
Port City Logistics	Oswego City	Warehousing	3	—	S/L	251,200	1,480,000	Approved
SolarCity Corporation	Scriba	Energy	2	—	S/L	110,298	2,051,717	Approved
SolarCity Corporation	Volney	Energy	3	—	S/L	284,612	4,107,628	Approved
Universal Metal Works	Fulton City	Manufacturing	9	—	IRP EDF	100,000	2,392,500	Approved
					Gen. EDF	200,000*		Funded
					S/L	595,560		Leased
Kleis Equipment	Constantia	Service/Retail	2	—	IRP EDF	66,000	132,000	Approved
Hardwood Transformation, Inc.	Oswego City	Manufacturing	11	11	S/L	328,440	473,226	Leased
Branch Development Oswego, Inc. (Holiday Inn Express)	Oswego City	Service/Tourism	15	—	PILOT EDF	250,000	8,600,000	Approved
					IRP EDF	100,000		Approved
					S/L	3,141,500		Approved
COIDA Incubator	Oswego City	Service	50	—	PILOT EDF	1,500,000	6,000,000	Approved (Bldg.)
					PILOT EDF	500,000		Approved (Tenants)
Operation Oswego County SBA 504	Countywide	Financing	N/A	N/A	Gen. EDF	150,000	375,000	Approved
		Total	307	41		17,648,035	77,267,821	

*Advanced Manufacturing Initiative through OOC, Inc.

Financing Programs

Loans/Leases Paid in Full

Project	Location	Type	Original Fin. Date	Fin. Type	Amount \$
Barnett Forest Products	Scriba	Agriculture	12/08	PILOT EDF	90,000
Bosco & Geers Food Market	Oswego City	Retail	11/07	HUD EDF	67,146
Crofoot's Car Care	Granby	Service	6/11	MEP EDF	16,000
Hannibal Village Market	Hannibal	Retail	4/07	PILOT EDF	160,000
Mitchell's Printing & Mailing	Oswego City	Manufacturing	3/09	PILOT EDF	133,800
OH Properties	Parish	Service/Healthcare	6/95	PILOT EDF	190,000
OOC/Lee Memorial Hospital	Fulton City	Service/Healthcare	3/08	PILOT EDF	25,000
Sticks Sportsbar Grill & Motel	New Haven	Service	5/10	MEP EDF	25,000

Bad Debt Loans/Leases

Project	Location	Type	Original Fin. Date	Fin. Type	Amount \$	Bad Debt \$
Great Lakes Veneer	Oswego City	Mfg.	6/09	PILOT EDF	431,347	309,952
McGillicuddy's Enterprise	Mexico	Service/Recreation	2/09	MEP EDF	25,000	9,704

Bad Debt Loans/Leases Recovery

Project	Location	Type	Original Fin. Date	Fin. Type	Bad Debt Write Off \$	Recovery \$
Rural Bolt Company	Hastings	Wholesale	4/02	PILOT EDF	16,565	4,193

Definitions for Types of Financial Assistance

- **MEP EDF**-- Micro Enterprise Program Economic Development Fund
- **PILOT EDF**-- Payment in Lieu of Taxes Economic Development Fund
- **General EDF**-- General Economic Development Fund
- **IRP EDF**-- Intermediary Relending Program Economic Development Fund
- **S/L**-- Straight Lease Transaction
- **HUD EDF**-- Housing and Urban Development Economic Development Fund
- **CFRB**-- Civic Facility Revenue Bonds
- **PAB**-- Private Activity Bonds
- **TB**-- Taxable Bonds

Distribution of PILOT Payments - FY Ended 7/31/15

	<u>Amount</u>	<u>%</u>
School Districts	\$5,216,317	65.2
City/Town/Village	\$ 756,099	9.5
County	\$1,834,715	22.9
County IDA*	<u>\$ 188,617</u>	<u>2.4</u>
<u>Total:</u>	<u>\$7,995,748</u>	<u>100.0</u>

*County's prorata share was split 90/10 with IDA to recapitalize the IDA's PILOT EDF in 2015.

Statement of Revenues and Expenditures and Changes in Net Position - FY Ended 7/31/15

Revenues	
Charges for Services	\$ 74,680
Interest income	237,168
Payments in lieu of taxes	190,322
Other revenues	125,046
Gain on RE Sale	160,998
Total revenues	788,214
Expenditures	
Administration	266,169
Professional Fees	106,329
Grants and Development	373,577
Other expenses	115,421
Total expenditures	861,496
Change in net position	(73,282)
Net position – beginning of year	19,558,068
Net position – end of year	\$ 19,484,786

Note: Audit Report is available at www.oswegocountyida.org.

Statement of Net Position - FY Ended 7/31/15

Assets

Cash	\$ 8,232,348
Loans receivable	10,990,930
Accounts Receivable	172,924
Project Assets, net	1,208,470
Total Assets	\$ 20,604,672

Liabilities

Accounts Payable	\$ 10,398
Loan Payable	409,488
Mortgage Payable	700,000
Total Liabilities	\$ 1,119,886

Net Position

Restricted Cash	\$ 5,357,703
Restricted Loans Receivable	9,804,208
Unrestricted	4,322,875
Total Net Position	\$ 19,484,786

Note: Audit Report is available at www.oswegocountyida.org.

Schedule of Bonds/Notes - FY Ended 7/31/15

Details are provided in the Audit Report which is available at www.oswegocountyida.org.

Internal Control Structure and Procedure - FY Ended 7/31/15

Details are provided in the Audit Report which is available at www.oswegocountyida.org.

Compensation Schedule - FY Ended 7/31/15

Not applicable; IDA had no employees.

Real Property Owned - FY Ended 7/31/15

Property	Address	Tax Map ID	Size (Acres)
Lake Ontario Industrial Park	249A Mitchell St., Oswego	110.68-01-01	56.64
Peck Road Site	Peck Road, Town of Richland	071.00-02-28.01	14.25
Columbia Mills	St. Rt. 48, Town of Minetto	183.02-02-04.02	89.4
Huhtamaki Site	411-419 First St., Fulton	253.24-01-02	1.66
Hardwood Transformations	120 St. Paul St., Oswego	128.27-01-05	6.95

Real Property Disposed of During FY Ended 7/31/15

Property	Address	Tax Map ID	Size (Acres)
DG Strategic II, LLC (Dollar General)	8 Columbia Ave., Minetto	184.05-03-01.01	1.34

Code of Ethics

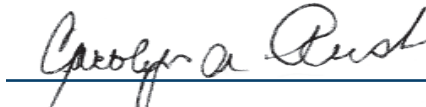
See Code of Ethics Policy listed on website at www.oswegocountyida.org.

Approval and Certification for FY Ended 7/31/15

The Annual Report of the County of Oswego IDA was approved by the Board of the Agency on November 11, 2015.

The information contained in the Annual Report for the County of Oswego IDA for FY ended 7/31/15 represents an accurate, complete and fair presentation of the Agency's activities and financial position. In compliance with the PAAA, this report will be provided to the Chair of the Oswego County Legislature, to the NYS Authority Budget Office, and be posted on the Agency's website www.oswegocountyida.org.

Certified by:


 _____ 11/11/15
 Carolyn A. Rush, Chair


 _____ 11/11/15
 H. Leonard Schick, Secretary/Treasurer


 _____ 11/11/15
 L. Michael Treadwell, CEO

This institution is an equal opportunity provider, and employer. To file a complaint of discrimination, write:
USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W.
Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).