

County of Oswego Industrial Development Agency



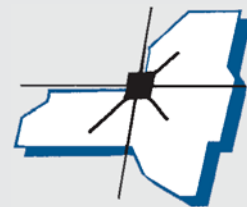
Hazen's Athletic Center



Great Lakes Veneer



Kinney Pharmacy



Annual Report
FY 8/1/06-7/31/07

Enabling Legislation

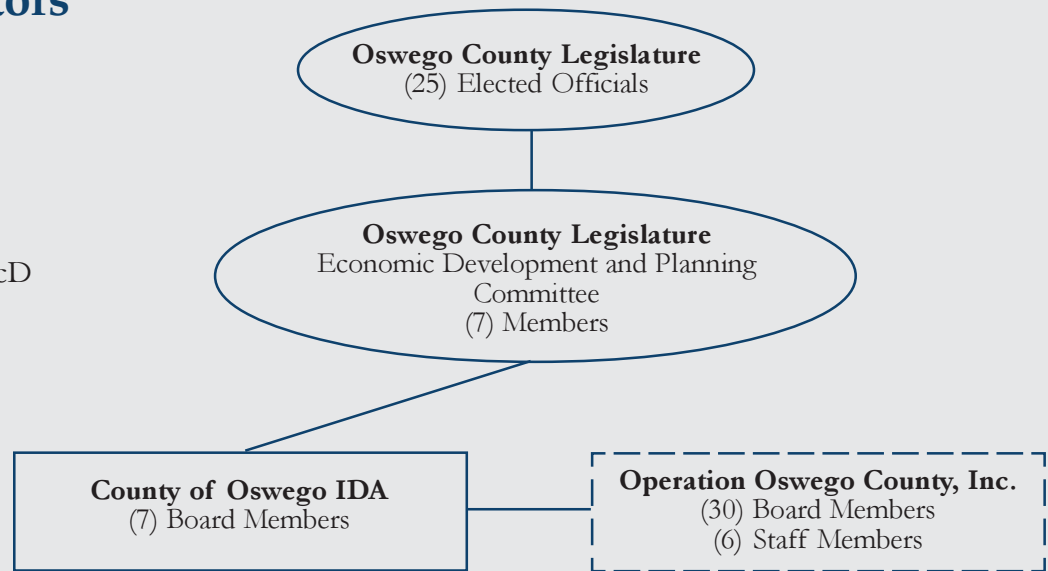
In accordance with New York State General Municipal Law article 18-A, the County of Oswego Industrial Development Agency was formed on April 25, 1973. Section 911-b constitutes the enabling legislation for the County of Oswego Industrial Development Agency.

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 this chapter. 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 this chapter 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 this chapter. Its members shall be appointed by the governing body of the county of Oswego. The agency, its members, officers and employees and its operations and activities shall in all respects be governed by the provisions of title one of article eighteen-A of this chapter.

Board of Directors

- Carolyn A. Rush
Chair
- Gary T. Toth
Vice Chair
- L. Michael Treadwell, CEcD
Secretary/Treasurer
- Donald H. Kunzwiler
- Arthur W. Ospelt
- H. Leonard Schick
- Morris Sorbello



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 target financial assistance to key industrial clusters critical to the County's economy, including manufacturing, health care, education, tourism, energy, and agribusiness;
- To leverage the greatest level of private and non-IDA financial assistance as possible;
- To work cooperatively with local governments and school districts to further economic development progress; 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.
- 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.
- Providing financial assistance to micro-enterprise businesses utilizing the County of Oswego IDA's Micro-Enterprise Revolving Loan Fund.
- Providing financial assistance to eligible and qualified businesses utilizing the County of Oswego IDA's PILOT Economic Development Fund, HUD Revolving Loan Fund, and General Economic Development Fund.
- Serving as a conduit, as appropriate, to apply for and secure Federal and State government grants for economic development projects.
- Providing bridge 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.

Meetings Held 8/1/06-7/31/07

8/28/06	2/27/07
9/28/06	3/15/07
10/25/06	4/10/07
11/29/06	5/10/07
12/19/06	6/1/07
1/26/07	7/3/07
2/16/07	7/31/07

Public Hearings Held 8/1/06-7/31/07

8/22/06	Hazen's Athletic Center
12/11/06	Fulton Group N.A., Inc.
1/26/07	Great Lakes Veneer, Inc.
1/26/07	Hannibal Village Market, Inc.
2/16/07	Housing Vision Consultants, Inc.
6/14/07	Kodiak, LLC

Compliance & Reporting/Other Activities

- The ESD Notification of Initial Allocation for the issuance of Private Activity Bonds for 2007 was \$3,495,000.
- IDA annual employment survey completed.
- Member of the Council of Development Finance Agencies.
- Efforts supporting Civic Facility funding resulted in state approving a 7 month extension.
- Returned \$37,248 to HUD as required for earned interest in 2006.
- Annual Financial Report and Audit Report filed with the NYS Office of the State Comptroller, County of Oswego and ESD for FY ended 7/31/06.
- Established IDA website to comply with the Public Authorities Accountability Act (PAAA) of 2005 (www.oswegocountyida.org).
- Approved an administrative services agreement with Operation Oswego County, Inc..
- Provided construction/repair staging area at Columbia Mills for repair work to the drainage tunnel by the NYS DOT.
- Continued litigation relative to a default in 2005 PILOT agreement by Fulton Cogeneration Associates and approved retaining a consultant to inventory and inspect equipment as authorized by the court.
- 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 projects: Precision Wood Flooring Products, LLC and Huhtamaki Consumer Packaging-Fulton, Inc.
- Appointment of Project Operator or Agent (ST-60) filed with the NYS Department of Taxation and Finance for the following projects: Kodiak, LLC and Northeast Biofuels, LP.
- UTEP deviation notification filed with all taxing authorities for the following projects: None.
- Officers elected included Carolyn A. Rush (chair), Gary T. Toth (vice chair), and L. Michael Treadwell (secretary/ treasurer).
- Reviewed monthly loan delinquent reports.
- Approved a rental income distribution policy associated with the lease of the former scrap yard property in Fulton to Huhtamaki.
- Extended a contract with ESDC for a \$300,000 grant for the Novelis casting center expansion.
- Approved a release of lien for O.H. Properties, Inc. to allow for a property transfer to Springside at Seneca Hill, Inc.
- Opposed proposed IDA Reform Legislation A8703.
- Established a new interest rate policy on financing providing discounts for performance based on job creation, capital investment and for selected targeted classifications.
- Adopted the NYSEDC Best Practice Recommendations.
- Two IDA members and counsel participated in IDA training provided by NYSEDC in compliance with PAAA.
- In compliance with the Public Authorities Law, filed Budget Reports for FY 8/1/05-7/31/06, 8/1/06-7/31/07 and 8/1/07-7/31/08 with the NYS ABO and County.
- Entered into a Creative Partners Agreement with the Regional Alliance to market the "Creative Core" branding initiative.
- 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.

Project Assistance

Project	Location	Type	Projected Jobs		Financial Assistance		Total Project Cost \$	Status
			New	Ret.	Type	Amount \$		
The Reservoir Inn (K&E Realty)	Redfield	Service/Retail	9	0	PILOT EDF	50,000	500,052	Funded
Fitness Whenever (Quality Assemblies)	Schroepfel	Service	6	0	PILOT EDF	25,000	110,195	Funded
Checker House Corners	Williamstown	Retail	6	0	PILOT EDF	25,000	233,175	Funded
Caster Properties	Fulton C.	Mixed Use	34	0	PILOT EDF	200,000	1,500,000	Funded
Fulton Group N.A., Inc.	Richland	Mfg.	20	0	PAB	6,200,000	7,200,000	Approved
					S/L	N/A		Approved
The Checkpoint Enterprises	Constantia	Retail	5	4	PILOT EDF	15,000	264,400	Funded
Jay F. Sullivan-Laser Center	Richland	Service	2	0	Gen. EDF	70,000	190,000	Funded
Hannibal Village Market	Hannibal	Retail	6	0	PILOT EDF	160,000	444,470	Funded
Housing Visions (Oswego Hamilton Homes)	Oswego C.	Housing	6	0	S/L	480,000	28,700,000	Approved
EVM, Inc.	Scriba	Service	2	0	Gen. EDF	99,000	739,500	Funded
Great Lakes Veneer	Oswego C.	Mfg.	0	20	PILOT EDF	250,000	684,572	Funded
Riverhouse Restaurant	Richland	Retail	45	0	PILOT EDF	75,000	1,048,000	Funded
Kodiak, LLC (Kinney Pharmacy)	Fulton C.	Retail	0	34	PILOT EDF	131,000	2,500,000	Approved
Oley's East	Scriba	Retail	6	0	PILOT EDF	50,000	346,200	Approved
OOO/RBP Master Plan	Volney	Mfg.	0	0	Gen. EDF	134,389	134,389	Funded
Joe's Corner Market	Palermo	Retail	3	0	Gen. EDF	30,000	53,000	Funded
Harbor Lights Services of CNY	Mexico	Service	3	9	PILOT EDF	70,000	748,900	Delayed
Northland Filter	Oswego C.	Mfg.	15	0	Gen. EDF	100,000	230,000	Delayed
OOO/NextGen Fuel	Volney	Mfg.	15	0	Gen. EDF	99,500	4,000,000	Delayed
Mahalaxmi Motels	Richland	Service	4	9	PILOT EDF	55,000	1,296,000	Funded
New York Bold	Volney	Mfg.	16	0	PILOT EDF	100,000	401,000	Funded
Hazen's Athletic Center	Hastings	Service	8	0	PILOT EDF	109,144	272,859	Funded
Novelis	Scriba	Mfg.	8	0	ESDC	300,000	726,532	50% Funded
Total:			219	76		8,828,033	52,323,244	

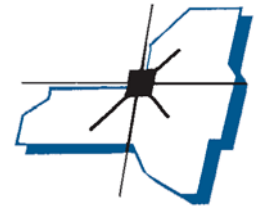
Financing Programs

Loans Paid in Full

Project	Location	Type	Original Loan Date	Loan Type	Amount \$
Brandy's Sunrise Café	Richland	Retail	7/02	HUD RLF	15,000
Birth Journeys	Oswego C.	Service	2/04	MEP RLF	15,000
Enders Racing	Schroepfel	Mfg.	9/01	PILOT EDF	32,900
Hazen's Athletic Center	Hastings	Service	12/06	PILOT EDF	109,144
Family Firewood	Mexico	Service	9/01	MEP RLF	14,000
Tetro Our Place	Volney	Retail	9/00	MEP RLF	12,500
The Snack Zone	Scriba	Retail	2/02	MEP RLF	15,000
B. Milligan Contracting	Oswego C.	Const.	1/96	Gen. EDF	86,400
Oswego County Opportunities	Oswego C.	Service	4/02	PILOT EDF	40,000
Pack's Short-n-Sweet	Granby	Retail	7/05	PILOT EDF	15,000
Tyler's Interiors	Hannibal	Service	10/03	MEP RLF	15,000
Viscome Plumbing & Heating	Fulton C.	Service	10/01	MEP RLF	15,000

Bad Debt Loans

Project	Location	Type	Original Loan Date	Loan Type	Amount \$	Bad Debt \$
Laddco GC, Inc.	Fulton	Retail	1/03	PILOT EDF	25,000	14,394
Top Class Martial Arts	Richland	Service	12/00	PILOT EDF	25,000	18,875



Definitions for Types of Financial Assistance

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

Distribution of 2007 PILOT Payments

	Amount	%
School Districts	\$5,122,967	60.3
City/Town/Village	\$1,113,148	13.1
County	\$2,072,826	24.4
County IDA*	<u>\$ 187,035</u>	<u>2.2</u>
Total:	\$8,495,976	100.0

*County's prorata share was split 90/10 with IDA to recapitalize the IDA's PILOT EDF in 2007

Statement of Revenues and Expenditures - FY Ended 7/31/07

Revenues		
Administration/application fees	\$	32,605
Interest on savings		182,692
Interest on loans		237,279
Payments in lieu of taxes		187,035
Option-Easement		12,602
Rent income		3,000
Federal funds--loan repayments		
Principal		159,023
Interest		19,634
Total revenues	\$	833,870
Expenditures		
Administration fee	\$	115,000
Dues		825
Legal/accounting		101,682
Meetings/misc.		1,190
Taxes--property		6,212
Provision for uncollectible loans		221,337
Company grants/costs		2,145
Federal funds loans		0
Federal funds administration		3,376
Total expenditures	\$	451,767
Excess of revenues over expenditures	\$	382,103

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

Balance Sheet - FY Ended 7/31/07

Assets

Current Assets	\$
Cash - unrestricted	983,902
Cash – restricted	4,224,617
Receivables	253,952
Loans receivable	1,434,437
Total Current Assets	6,896,908
Other Assets	\$
Loans receivable – LT	7,991,753
Allowance for loans receivable	(306,157)
Net loans receivable	7,685,596
Project assets	279,720
Total Other Assets	7,965,316
Total Assets	\$ 14,862,224

Liabilities and Retained Earnings

Current Liabilities	\$
Deferred revenue	1,555,455
Accounts payable	16,956
Due to government	21,304
Total Current Liabilities	1,593,715
Retained Earnings	\$
Reserved	
Cash	4,224,617
Loans receivable	5,732,077
Unreserved	3,311,815
Total Retained Earnings	\$ 13,268,509
Total Liabilities and Retained Earnings	\$ 14,862,224

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

Schedule of Bonds/Notes - FY Ended 7/31/07

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

Internal Control Structure and Procedure

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

Compensation Schedule - FY Ended 7/31/07

Not applicable; IDA had no employees.

Real Property Owned - FY Ended 7/31/07

<u>Property</u>	<u>Address</u>	<u>Tax Map ID</u>	<u>Size (Acres)</u>
Lake Ontario Industrial Park	249A Mitchell St., Oswego	110.68-01-01	56.64
Peck Road Site	Peck Rd., Town of Richland	071.00-02-28.01	14.25
Columbia Mills	St. Rt. 48, Town of Minetto	183.02-02-04.02	90.74
Huhtamaki Site	411-419 First St., Fulton	253.24-01-02	1.66

Real Property Disposed of During FY Ended 7/31/07

None.

Code of Ethics

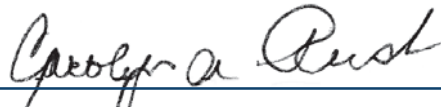
See Code of Ethics Policy listed on website at www.oswegocountyida.org.

Approval and Certification for FY Ended 7/31/07

The Annual Report of the County of Oswego IDA was approved by the Board of the Agency on February 27, 2008.

The information contained in the Annual Report for the County of Oswego IDA for FY ended 7/31/07 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:


 _____ 2/27/08
 Carolyn A. Rush, Chair


 _____ 2/27/08
 L. Michael Treadwell, Secretary/Treasurer