

County of Oswego Industrial Development Agency



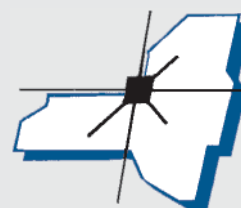
Red Sun Fire Roasting Co.



Otis Products



Fulton Thermal



Annual Report
FY 8/1/09-7/31/10

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

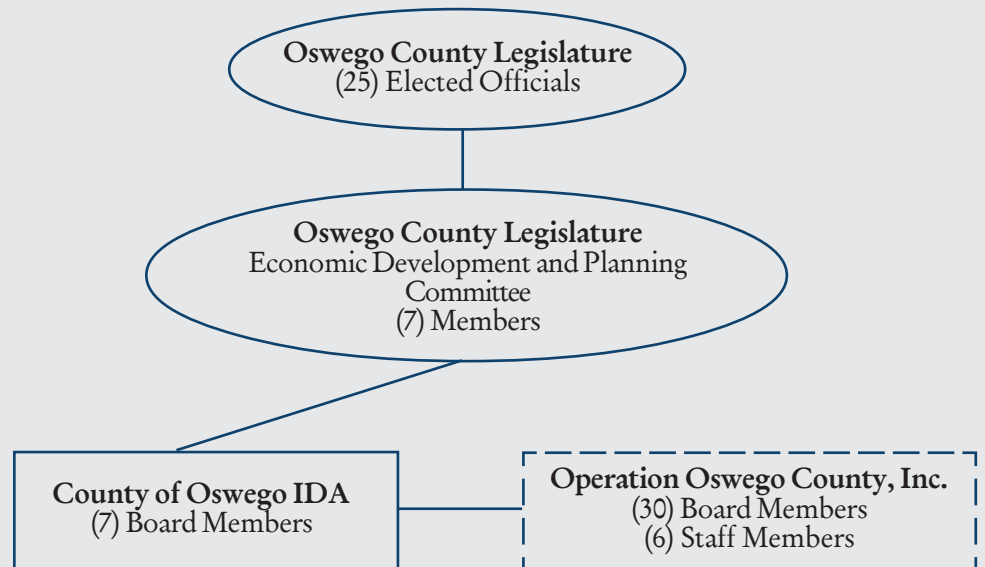
H. Leonard Schick
Secretary/Treasurer

Jonathan Daniels
Donald H. Kunzwiler

Arthur W. Ospelt
Morris Sorbello

L. Michael Treadwell, CEcD
Chief Executive Officer

David S. Dano
Chief Financial Officer



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.
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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).
- 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 Economic Development Fund.
- Providing financial assistance to eligible and qualified businesses utilizing the County of Oswego IDA's PILOT Economic Development Fund, HUD Economic Development Fund, and General Economic Development Fund.
- 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 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.

Objectives, cont.

- 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		Public Hearings Held	
8/17/09	2/26/10	9/30/09	Otis Products, Inc.
9/17/09	3/26/10	9/30/09	LEEH, LLC
9/30/09	4/12/10	1/18/10	RGC-SRE Oswego Acquisition, LLC
10/29/09	5/14/10	2/1/10	Housing Visions Consultants, Inc./ Oswego Hamilton Homes, LLC
11/9/09	6/11/10	2/23/10	Oswego County Opportunities, Inc.
12/7/09	6/25/10	3/1/10	BioSpherix, Ltd.
12/21/09	7/12/10	4/28/10	Laser Transit, Ltd.
1/21/10	7/19/10	5/4/10	Furlong Properties, LLC
2/3/10			

Compliance & Reporting/Other Activities

- The ESD Notification of Initial Allocation for the issuance of Private Activity Bonds for 2009 was \$3,644,000.
- IDA annual employment survey completed.
- Member of the Council of Development Finance Agencies.
- Civic Facility authority for IDAs that sunseted on Jan. 31, 2008, was not extended by the state despite extensive efforts. Authorization approved to request the County Legislature to authorize, in cooperation with the IDA, the formation of a LDC for purposes of financing eligible not-for-profits.
- Returned \$8,930 to HUD as required for earned interest in 2009.
- Annual Financial Report and Audit Report filed with the NYS Office of the State Comptroller, County of Oswego and ESD for FY ended 7/31/09.

Compliance & Reporting/Other Activities, cont.

- Maintained IDA website to comply with the Public Authorities Accountability Act (PAAA) (www.oswegocountyida.org).
- Continued an administrative services agreement with Operation Oswego County, Inc.
- Continued litigation relative to a default of the 2005 PILOT agreement with Fulton Cogeneration Associates. Collected through litigation and disbursed \$1,481,533 to the City of Fulton, Fulton CSD and the County of Oswego for the 2005 defaulted PILOT payment. Authorized negotiating a settlement with El Paso Power. Retained the Bickerstaff, Heath, Delgado, Acosta Law Firm for litigation in Texas.
- 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: Otis Products, Inc. and G&S Broadwell, Inc.
- Appointment of Project Operator or Agent (ST-60) filed with the NYS Department of Taxation and Finance for the following projects: Riccelli Fulton, LLC, Oswego Hamilton Homes Phase I, LLC, Oneida Lake Ready Mix, LLC and Otis Products, Inc.
- UTEP deviation notifications were filed with the taxing authorities for the RGC-SRE Oswego Acquisition, LLC project.
- Officers included Carolyn A. Rush (chair), Gary T. Toth (vice chair), and H. Leonard Schick (secretary/treasurer).
- L. Michael Treadwell was appointed CEO and David S. Dano was appointed CFO.
- Jonathan Daniels was appointed by the County Legislature to the IDA Board.
- Reviewed monthly loan delinquent reports.
- Participated in litigation with NYSEDC challenging the IDA tax.
- Supported bill S.6962 to repeal the 2009-10 Administrative Service Assessment on IDAs.
- Continued to follow NYSEDC Best Practice Recommendations.
- IDA Counsel and CEO participated in PAAA Training sponsored by the NYSEDC.
- In compliance with the Public Authorities Law, filed Budget Reports for FY ending 7/31/09, 7/31/10 and 7/31/11 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.
- Continued a temporary land lease for 2 acres at the Columbia Mills site in the Town of Minetto to Tioga Construction for performance of work on Locks in Minetto and Oswego.
- CEO continued to be authorized to be the primary Authorizer Designation for PARIS.

Compliance & Reporting/Other Activities, cont.

- Terminated option on the LOIP for a potential renewable energy project.
- Reviewed and approved continuing the Disposition of Property Guidelines in compliance with the PAAA.
- Reviewed and approved continuing the Procurement Policy in compliance with GML.
- Annual Report for FY ended 7/31/09 was prepared and posted on the Agency's website.
- Reviewed and approved continuing the Investment Policy in compliance with PAAA.
- Annual review of the Conflict of Interest Policy was conducted, no changes recommended.
- Temporary deferments on loan/lease payments were granted for the following: Empire Fresh Cuts, D&D Logging and Lumber, Matangi, Modheshwari and Mahalaxmi Motels.
- Green & Seifter CPAs, PLLC retained to conduct the audit for FY ended 7/31/10.
- Approved sponsoring "The Next Great Idea" 2010 Business Plan Competition.
- Supported bills to extend IDA civic facility authority (A.5700-A and S.2898-A).
- Fulton Thermal Corp.'s application to ESDC for funding from the Upstate Regional Blueprint Fund supported by the IDA was approved for \$1.5 million.
- Debt restructuring to consolidate two loans for The Pulaski Early Learning Center was finalized.
- PARIS reporting for FY ended 7/31/09 was successfully completed.
- Litigation on the defaulted PILOT agreement with Coleman Properties, LLC initiated.
- The Agency's application to USDA to participate in the Intermediary Relending Program in the amount of \$750,000 was approved.
- A one-year extension of the G&S Broadwell, Inc.'s PILOT was approved.
- Acknowledgement of Fiduciary Duties and Responsibilities as required by PAL was executed.
- Consented and approved a Mortgage Modification Agreement for Bishop's Commons for refinancing.
- Adopted a MWBE Policy.
- Consented and approved a Mortgage Modification Agreement for St. Luke RHCF for refinancing.
- Adopted a Finance Committee Charter.
- Co-sponsored the NYSEDC 2010 IDA Section Conference.

Project Assistance

Project	Location	Type	Projected Jobs		Financial Assistance		Total Project Cost \$	Status
			New	Ret.	Type	Amount \$		
BioSpherix, Ltd.	Sandy Creek	Mfg.	30	37	PILOT EDF	145,000	2,047,500	Funded
Furlong Properties, LLC	Oswego City	Service	0	34	PILOT EDF	100,000	850,000	Funded
Tim Donut U.S. Limited, Inc.	Oswego City	Service	32	0	S/L	161,400	1,466,000	Canceled
Laser Transit, Ltd.	Sandy Creek	Trans.	28	0	PILOT EDF	370,000	1,334,011	Funded
Fulton Thermal Corp.	Richland	Mfg./R&D	50	0	PAB	10,000,000	13,500,000	Delayed
					S/L	3,398,000	N/A	Delayed
Pulaski Early Learning Center	Richland	Service	0	0	HUD EDF	85,984	85,984	Funded
St. Peter's Outfitter, LLC	Oswego City	Service	0	5	PILOT EDF	69,500	120,100	Funded
Steven's Auto Store	Fulton City	Service	5	2	PILOT EDF	33,497	181,423	Funded
Sticks Sportsbar Grill and Motel	New Haven	Service	1	0	MEP EDF	25,000	35,288	Funded
G&S Broadwell, Inc.	Oswego City	Service	39	0	PILOT EDF	500,000	6,100,000	Delayed
					S/L	3,584,000	N/A	Delayed
Uniform Etc., LLC	Fulton City	Retail	4	4	HUD EDF	15,000	389,274	Canceled
Timberline Hardwood Floors	Volney	Mfg.	7	10	PILOT EDF	120,000	230,000	Approved
LEEH, LLC	Oswego City	Housing	3	0	PILOT EDF	252,000	2,520,000	Approved
					S/L	451,850	N/A	Approved
Oswego County Opportunities	Mexico	Service	2	26	PILOT EDF	348,000	1,356,529	Funded
Bardy's 4 Seasons Tire	Sandy Creek	Service	3	7	PILOT EDF	35,000	430,906	Approved
Red Sun Fire Roasting Co.	Oswego City	Service	19	0	PILOT EDF	60,000	406,500	Funded
Oswego Hamilton Homes Phases III & IV	Oswego City	Housing	0	6	S/L	285,220	15,819,919	Approved
Harbor Lights Services of CNY	Mexico	Service	3	9	PILOT EDF	70,000	748,900	Delayed
Northland Filter	Oswego City	Mfg.	15	0	Gen. EDF	100,000	230,000	Canceled
RGC-SRE Oswego Acquisitions, LLC	Oswego City	Housing	2	0	HUD EDF	300,000	6,957,766	Approved
					S/L	1,941,180	N/A	Approved
Otis Products, Inc.	Schroepel	Mfg./R&D	15	0	S/L	342,320	1,300,000	Leased
Oswego Bakery & Catering Co., Inc.	Oswego City	Service	4	0	PILOT EDF	99,873	848,367	Funded
Wire Road, LLC	Scriba	Trans.	5	14	PILOT EDF	300,000	1,031,000	Approved
					S/L	9,000	N/A	Approved
Wire Road, LLC	Oswego City	Trans.	5	14	PILOT EDF	50,000	337,750	Approved
					S/L	2,880	N/A	Approved
The Bake Shop Eatery	Mexico	Service	5	0	MEP EDF	25,000	77,696	Funded
Total:			277	168		23,279,704	58,404,913	

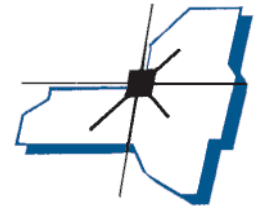
Financing Programs

Loans/Leases Paid in Full

Project	Location	Type	Original Fin. Date	Fin. Type	Amount \$
Advantage Carpets	Oswego City	Retail	4/03	PILOT EDF	25,000
Christopher Richmond, Esq.	Oswego City	Service	11/04	PILOT EDF	13,000
Community Sports Complex	Scriba	Service	9/00	Gen. EDF	200,000
Blue Moon Bistro	Fulton City	Service	6/99	PILOT EDF	32,500
G&S Broadwell, Inc.	Oswego City	Service	12/89	HUD EDF	400,000
Manhattan Moon	Constantia	Service	5/05	HUD EDF	25,000
Mitchell Printing	Oswego City	Mfg.	9/02	PILOT EDF	35,000
OOC/Southern Graphic	Schroepel	Mfg.	7/09	PILOT EDF	80,000
OOC/Felix Schoeller	Richland	Mfg.	4/08	PILOT EDF	100,000
OOC/City Oswego	Oswego City	Gov.	11/08	Gen. EDF	33,600
OOC/Oswego Health	Oswego City	Service	5/09	PILOT EDF	20,000
Pulaski Early Learning Center	Richland	Service	8/92	HUD EDF	50,000
Pulaski Early Learning Center	Richland	Service	12/92	HUD EDF	125,000
Sunset RV Park	Oswego	Service	10/04	MEP EDF	15,000
Whitewater Commons	Oswego City	RE	4/03	Gen. EDF	50,000

Bad Debt Loans

Project	Location	Type	Original Fin. Date	Fin. Type	Amount \$	Bad Debt \$
Northshore Powder Coating	Constantia	Mfg.	12/04	PILOT EDF	15,000	6,904



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
- **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 2010 PILOT Payments

	<u>Amount</u>	<u>%</u>
School Districts	\$4,906,666	64.6
City/Town/Village	\$ 719,565	9.5
County	\$1,788,614	23.5
County IDA*	<u>\$ 181,355</u>	<u>2.4</u>
<u>Total:</u>	\$7,596,200	<u>100.0</u>

*County's prorata share was split 90/10 with IDA to recapitalize the IDA's PILOT EDF in 2010.

Statement of Revenues and Expenditures - FY Ended 7/31/10

Revenues	
Administration/application fees	\$ 42,830
Interest on savings	16,263
Interest on loans	217,016
Payments in lieu of taxes	213,044
Rent Income	3,000
Total revenues	\$ 492,153
Expenditures	
Administration fee	\$ 147,500
Dues	4,600
Professional fees	50,375
Misc.	3,458
Cogeneration facility expenses	93,344
Provision for uncollectible loans	30,876
Other expenses	7,710
Total expenditures	\$ 337,863
Excess of revenues over expenditures	\$ 154,290

Balance Sheet - FY Ended 7/31/10

Assets

Current Assets	\$
Cash - unrestricted	2,979,056
Cash - restricted	5,107,664
Receivables	0
Loans receivable	1,596,095
Total Current Assets	9,682,815
Other Assets	\$
Loans receivable - LT	7,324,919
Allowance for loans receivable	(123,801)
Net loans receivable	7,201,118
Project assets	279,720
Total Other Assets	7,480,838
Total Assets	\$ 17,163,653

Liabilities and Net Assets

Current Liabilities	\$
Deferred revenue	13,967
Accounts payable	500
Due to government	22,855
Total Current Liabilities	37,322
Net Assets	\$
Reserved	
Cash	5,107,664
Loans receivable	7,454,064
Unreserved	4,564,603
Total Net Assets	\$ 17,126,331
Total Liabilities and Net Assets	\$ 17,163,653

Schedule of Bonds/Notes - FY Ended 7/31/10

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

Internal Control Structure and Procedure - FY Ended 7/31/10

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

Compensation Schedule - FY Ended 7/31/10

Not applicable; IDA had no employees.

Real Property Owned - FY Ended 7/31/10

<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 7/31/10

None.

Code of Ethics

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

Approval and Certification for FY Ended 7/31/10

The Annual Report of the County of Oswego IDA was approved by the Board of the Agency on October 15, 2010.

The information contained in the Annual Report for the County of Oswego IDA for FY ended 7/31/10 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:

 10/15/10

Carolyn A. Rush, Chair

 10/15/10

H. Leonard Schick, Secretary/Treasurer

 10/15/10

L. Michael Treadwell, CEO