

County of Oswego Industrial Development Agency



R. M. Burritt Motors



Lake Ontario Event & Conference Center



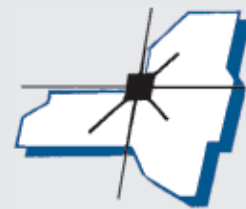
Kallet Theater



Champlain Valley Specialty of NY



Seaway Lofts



Annual Report
FY 8/1/11-7/31/12

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

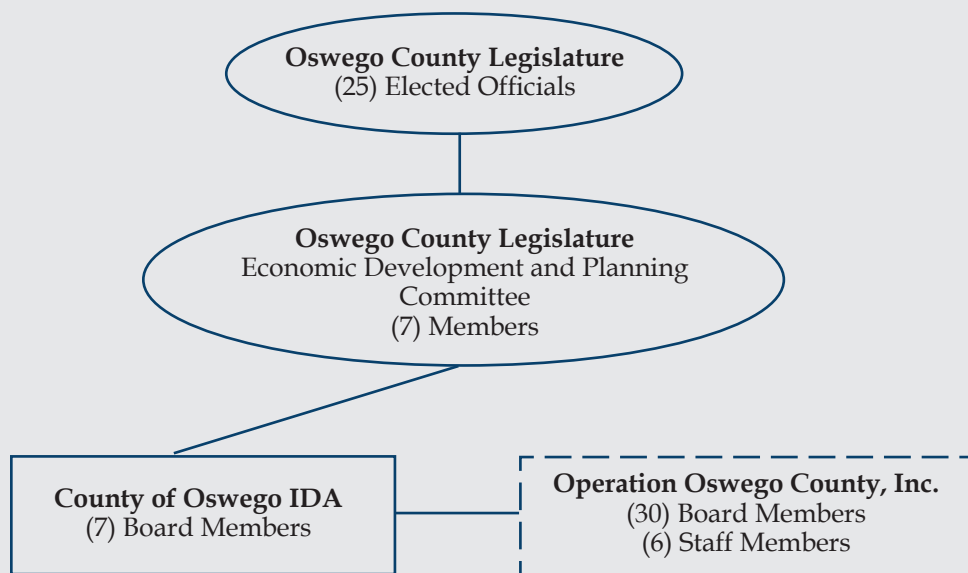
Donald H. Kunzwiler

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 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; 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.
- 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 and HUD Economic Development Fund.
- Utilizing the County of Oswego IDA's General Economic Development Fund to enhance economic development initiatives and strategies.

Objectives, cont.

- 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.
- 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 PAL.

Meetings Held

8/11/11	2/15/12
9/9/11	3/14/12
10/6/11	4/16/12
10/20/11	5/2/12
11/30/11	5/17/12
12/22/11	6/4/12
1/23/12	6/21/12
2/7/12	7/13/12

Public Hearings Held

8/30/11	V-Squared Management, LLC (Kallet Theater)
10/3/11	G & S Broadwell, Inc. (Best Western Hotel & Conference Center)
10/19/11	Champlain Valley Specialty of NY, Inc.
12/20/11	Hansdev, Inc. (Super 8 Motel)
4/19/12	LEE, LLC (Premier Living Suites)
4/19/12	R. M. Burritt Motors, Inc.
5/9/12	Whitewater Commons, Inc.
6/25/12	Erie Boulevard Hydropower, L.P.
6/29/12	Teti Bakery USA, Inc.
7/16/12	Circle T Motorsports, LLC

Compliance & Reporting/Other Activities

- The ESD Notification of Initial Allocation for the issuance of Private Activity Bonds for 2011 was \$3,867,192 and for 2012 was \$3,867,192.
- IDA annual employment survey completed.
- Member of the Council of Development Finance Agencies.
- Returned \$3,016 to HUD as required for earned interest in 2011.
- Annual Financial Report and Audit Report filed with the NYS Office of the State Comptroller, County of Oswego and ESD for FY ended 7/31/11.
- 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.
- 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: Erie Boulevard Hydropower, R. M. Burritt Motors, Inc., Seaway Lofts Associates, LLC, Dynege Sithe & Independence Partners, L.P., Hansdev, Inc., Champlain Valley Specialty, Inc., Sunoco, Inc., Otis Products, Inc., and Stevedore Lofts, LLC.
- Appointment of Project Operator or Agent (ST-60) filed with the NYS Department of Taxation and Finance for the following projects: Riccelli Fulton, LLC, Novelis Corporation, Stevedore Lofts, LLC, Fulton Thermal Corporation, Sunoco, Inc., Wire Road, LLC, G&S Broadwell, Inc., V-Squared Management, LLC (Kallet Theater), LEEH, LLC, R. M. Burritt Motors, Inc., Whitewater Commons, Inc., Seaway Lofts Associates, LLC, Hansdev, Inc. and Champlain Valley Specialty, Inc.
- UTEP deviation notifications were filed with the taxing authorities for Seaway Lofts Associates, LLC and V-Squared Management, LLC (Kallet Theater).
- 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.
- Delinquent Loan Policy was revised and amended.
- Continued to follow NYSEDC Best Practice Recommendations.
- Four IDA Directors, Counsel and the CEO have participated in PAAA Training sponsored by the NYSEDC.
- In compliance with the Public Authorities Law, filed Budget Reports for FY ending 7/31/11, 7/31/12 and 7/31/13 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.

Compliance & Reporting/Other Activities, cont.

- CEO continued to be authorized to be the primary Authorizer Designation for PARIS.
- Reviewed and approved continuing the Procurement Policy in compliance with GML.
- Reviewed the Disposition of Property Guidelines, no change made.
- Annual Report for FY ended 7/31/11 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: Matangi, Modheshwari and Mahalaxmi Motels, Tavern on the Lock and The Wall Climbing Center.
- Green & Seifter CPAs, PLLC retained to conduct the audit for FY ending 7/31/12.
- PARIS reporting for FY ended 7/31/11 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.
- Co-sponsored the NYSEDC 2012 IDA Section Conference.
- At the request of the Agency, the Oswego County Legislature 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 2011.
- The Agency continued to operate the USDA Intermediary Relending Program for working capital and equipment.
- 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.
- An Application for Public Access to Records was adopted to comply with FOIL.
- Annual performance review of the CEO and CFO was conducted.
- Supported in cooperation with OOC, Inc. retaining Ady Voltedge to help develop strategies to market the closed BirdsEye plant.
- Submitted a CFA application to establish an Economic Development Fund targeted for Agri-businesses.
- Authorization approved to submit an application for an EPA Phase II Assessment Grant for the Port of Oswego.

Project Assistance

Project	Location	Type	Projected Jobs		Financial Assistance		Total Project Cost \$	Status
			New	Ret.	Type	Amount \$		
G&S Broadwell, Inc./Best Western Hotel & Conf. Center	Oswego City	Service	43		PILOT EDF	200,000	6,700,000	Funded
					PILOT EDF	500,000	N/A	Funded
R. M. Burritt Motors, Inc.	Oswego City	Retail	19		PILOT EDF	300,000	2,180,650	Funded
					S/L	350,600	N/A	Leased
Hansdev, Inc./Super 8 Hotel	Richland	Service	3	9	PILOT EDF	50,000	2,604,000	Funded
					S/L	24,195	N/A	Leased
Hillside Commons	Oswego City	RE		20	PILOT EDF	250,000	1,150,000	Funded
W.D. Malone Trucking & Excavating, Inc.	Hannibal	Const.		2	PILOT EDF	80,000	202,000	Funded
MF Graphics	Fulton City	Service	1		PILOT EDF	35,000	124,200	Funded
Physical Therapy Plus	Fulton City	Service	2	3	PILOT EDF	87,500	585,000	Funded
Reflections A Collective Salon	Fulton City	Service	5		PILOT EDF	35,000	50,000	Funded
V-Squared Management, LLC/ Kallet Theater	Richland	RE/Service	4		PILOT EDF	309,250	1,300,048	Funded
					PILOT EDF	170,000	N/A	Delayed
					S/L	310,000	N/A	Leased
Caity's Child Care	Mexico	Service	2		MEP EDF	15,000	20,000	Funded
Puddle Jumpers	Volney	Service	4		MEP EDF	15,000	20,000	Funded
CL Fitness, LLC	Fulton City	Service	1	6	PILOT EDF	25,000	50,000	Approved
Teti Bakery USA, Inc.	Volney	Mfg.	63		PILOT EDF	400,000	3,300,000	Approved
					S/L	342,380	N/A	Approved
MDR Properties, LLC/United Wire Technologies, Inc.	Constantia	Mfg.	6	8	PILOT EDF	280,000	1,209,800	Approved
Design Concepts and Enterprises, LLC	Hastings	Mfg.	13		PILOT EDF	235,000	648,000	Approved
Whitewater Commons, Inc.	Oswego City	Housing/Service	8		PILOT EDF	125,000	2,962,835	Approved
					S/L	195,808	N/A	Approved
Jay F. Sullivan, MD	Richland	Service	1		PILOT EDF	31,000	42,500	Approved
Mark's Letters, Signs & Specialites	Fulton City	Service	4		PILOT EDF	20,000	98,000	Approved
Circle T Motorsports, LLC	Oswego City	Recreation	2		PILOT EDF	80,000	321,000	Approved
					S/L	2,680	N/A	Approved
LEEh, LLC/Premier Living Suites	Oswego City	Housing	3		PILOT EDF	325,000	3,375,000	Approved
					S/L	476,250	N/A	Approved
RiverHouse Restaurant Corp.	Richland	Service		25	PILOT EDF	32,462	32,462	Funded
Barnett Forest Products, LLC	Scriba	Agr.	1		PILOT EDF	35,000	41,000	Funded
Harbor Lights Services of CNY	Mexico	Service	4	10	PILOT EDF	70,000	718,689	Approved
K&E Realty, LLC/Reservoir Inn	Redfield	Service		3	PILOT EDF	22,257	22,257	Approved
Oswego County Podiatry	Oswego City	Service			PILOT EDF	10,400	61,242	Funded
					Fulton City			
Champlain Valley Specialty of NY, Inc.	Oswego	Mfg.	60		S/L	268,300	4,558,900	Leased
Stevodore Lofts, LLC	Oswego City	Housing	14		S/L	2,798,000	6,566,255	Leased
St. Francis Commons	Oswego City	Service/Housing	30		PILOT EDF	500,000	9,158,000	Delayed
Seaway Lofts Associates, LLC	Oswego City	Housing	2		HUD EDF	300,000	6,957,766	Funded
					S/L	1,941,180	N/A	Leased
Total			295	94		11,247,262	55,059,604	



Financing Programs

Loans/Leases Paid in Full

Project	Location	Type	Original Fin. Date	Fin. Type	Amount \$
Jackie's Hair Design	Oswego	Service	5/11	MEP EDF	25,000
Jay F. Sullivan, MD	Richland	Service	12/06	Gen EDF	70,000
Jay F. Sullivan, MD	Richland	Service	12/07	Gen EDF	19,400
Joe's Corner Market	Palermo	Retail	7/07	Gen EDF	30,000
Morabito Auto Parts	Fulton City	Retail	11/99	Gen EDF	80,000
New York Bold	Volney	Agr.	5/02	PILOT EDF	55,000
NOCHSI	Richland	Service	4/04	PILOT EDF	236,000
Quality Assemblies	Schroepfel	Service	11/06	PILOT EDF	25,000
Stone's Quality Cleaning	Granby	Service	6/04	MEP EDF	15,000
Village Pizzeria	Hannibal	Service	9/04	MEP EDF	15,000

Bad Debt Loans

Project	Location	Type	Original Fin. Date	Fin. Type	Amount \$	Bad Debt \$
Affordable Home Inventory	Volney	Service	1/08	MEP EDF	8,000	6,198
Checker House Corners	Williamstown	Retail	5/07	PILOT EDF	25,000	22,124
Do Shea Enterprises	Mexico	Service/Rec.	11/02	PILOT EDF	23,000	2,528
Do Shea Enterprises	Mexico	Service/Rec.	9/04	HUD EDF	15,000	9,595
Oswego Recycling	Oswego City	Service	6/06	PILOT EDF	50,000	9,051

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 2012 PILOT Payments

	<u>Amount</u>	<u>%</u>
School Districts	\$4,927,092	66.6
City/Town/Village	\$ 577,286	7.8
County	\$1,724,528	23.3
County IDA*	<u>\$ 174,237</u>	<u>2.3</u>
<u>Total:</u>	<u>\$7,403,143</u>	<u>100.0</u>

*County's prorata share was split 90/10 with IDA to recapitalize the IDA's PILOT EDF in 2012.

Statement of Revenues and Expenditures - FY Ended 7/31/12

Revenues	
Administration/application fees	\$ 156,649
Interest on savings	12,229
Interest on loans	222,128
Payments in lieu of taxes	173,838
Rent income	63,446
Federal funds – loan repayment (P+I)	136,501
Total revenues	\$ 764,791
Expenditures	
Administration fee	\$ 200,000
Dues	535
Professional fees	177,418
Misc.	20,146
Provision for uncollectible loans	296,026
Building Insurance	23,194
Depreciation Expense	23,750
Other expenses	9,475
Total expenditures	\$ 750,544
Excess of revenues over expenditures	\$ 14,247

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

Balance Sheet - FY Ended 7/31/12

Assets

Current Assets	
Cash - unrestricted	\$ 4,488,634
Cash – restricted	4,725,236
Loans receivable	1,308,258
Total Current Assets	\$ 10,522,128
Other Assets	
Loans receivable – LT	\$ 8,422,524
Allowance for loans receivable	(367,535)
Net loans receivable	8,054,989
Project assets	1,205,970
Total Other Assets	\$ 9,260,959
Total Assets	\$ 19,783,087

Liabilities and Net Assets

Current Liabilities	
Deferred revenue	\$ 25,490
Accounts payable	1,081
Due to government	70,000
Total Current Liabilities	\$ 96,571
Non-Current Liabilities	
Loan Payable	\$ 112,500
Mortgage Payable	700,000
Total Non-Current Liabilities	\$ 812,500
Total Liabilities	\$ 909,071
Net Assets	
Restricted	\$ 4,725,236
Cash	4,725,236
Loans receivable	8,601,061
Unrestricted	5,547,719
Total Net Assets	\$ 18,874,016
Total Liabilities and Net Assets	\$ 19,783,087

Schedule of Bonds/Notes - FY Ended 7/31/12

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

Internal Control Structure and Procedure - FY Ended 7/31/12

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

Compensation Schedule - FY Ended 7/31/12

Not applicable; IDA had no employees.

Real Property Owned - FY Ended 7/31/12

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	90.74
Huhtamaki Site	411-419 First St., Fulton	253.24-01-02	1.66
Sure Lock Industries	120 St. Paul St., Oswego	128.27-01-05	6.95

Real Property Disposed of During FY Ended 7/31/12

None.

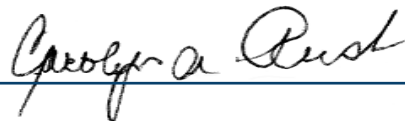
Code of Ethics

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

Approval and Certification for FY Ended 7/31/12

The Annual Report of the County of Oswego IDA was approved by the Board of the Agency on December 18, 2012.

The information contained in the Annual Report for the County of Oswego IDA for FY ended 7/31/12 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:  12/18/12
 Carolyn A. Rush, Chair

 12/18/12
 H. Leonard Schick, Secretary/Treasurer

 12/18/12
 L. Michael Treadwell, CEO