

NEWS RELEASE

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FOR IMMEDIATE RELEASE

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COUNTY OF OSWEGO INDUSTRIAL DEVELOPMENT AGENCY RESPONDS TO STATE COMPTROLLER'S REPORT

OSWEGO, N.Y., April 28, 2015 – The County of Oswego Industrial Development Agency (COIDA) defended its record of job creation in response to a report issued by the Office of the New York State Comptroller today.

The Comptroller's auditors questioned whether some COIDA-supported projects met their job creation goals. The Comptroller's report, however, focused on a two-year time period (July 2008-July 2011) when the County suffered from a failing economy and significant job losses. Actual historical data reveals much different results.

"Since its inception, 79% of the projects funded by COIDA showed positive job creation or remained stable," said L. Michael Treadwell, County of Oswego Industrial Development Agency CEO. "COIDA is proud of its record of job creation. Even for the 21% of projects for which a loss of jobs was reported, we believe that without support from COIDA, these companies would have lost more jobs or even closed."

In addition, the Comptroller's report criticized the process used by COIDA to compare current and projected jobs at the time of application to the reported number of jobs actually created.

"We accept the Comptroller's finding regarding the need to monitor job creation data, and we will deliver a new approach to reporting as part of our corrective action plan," said Treadwell. "We also agree with the Comptroller that job creation is not the only measure of successful economic development. Job retention, reducing job losses and two dozen other measures we cite in our response are also important considerations," said Treadwell.

The report also presents Comptroller DiNapoli's newly-formed view regarding Oswego County's authority to make available Payments in Lieu of Taxes (PILOT) revenues for economic development. Specifically, the Comptroller reviewed a revolving loan fund program, called the PILOT Economic Development Fund (PILOT EDF), which is designed to help businesses create and retain jobs in Oswego County. Authorized by the County Legislature in 1994, the program is administered by the COIDA and places 10% of the County's portion of PILOT money into a loan fund. Once loans are repaid, proceeds are reinvested in the fund, compounding the impact of the County's initial investment. To date, the program has generated over 1,300 new jobs and helped retained more than 1,100 jobs.

“This is about jobs. The revolving loan fund is Oswego County’s most effective tool for job retention and growth,” said Treadwell. “The 183 projects supported by this program currently employ over 4,500 individuals in Oswego County. Without it, companies like Huhtamaki, Felix Schoeller, K&N’s Foods and many others would either be gone or be a lot smaller in Oswego County.”

Since its formation, the program has used \$7.7 million in PILOT revenues to generate \$22 million dollars in loans. These activities have resulted in more than \$220 million in private capital investment. These impressive figures do not include the additional economic activity generated by PILOT EDF loans. Economic activity such as the increase in demand for goods and services to support loan recipients and their employees that results in sales taxes and jobs in construction, trades, retail and restaurants.

The average loan size is \$122,374 and 83% of the program’s loans go to small businesses.

“Without the support of this revolving loan fund, I wouldn’t have been able to retain two full-time and one part-time employees,” said Andrea Dattellas, D.V.M., new owner of the Fulton Animal Hospital. “The loan allowed me to buy the 32-year-old business and continue to serve Fulton and Oswego County with top notch animal services.”

Seventeen-percent of the program’s loans go to medium and large businesses.

“K&N’s Foods considered different areas of this state and other states to open its first North American operation,” said Adil Sattar, CEO of K&N’s Foods. “The revolving loan fund certainly makes Oswego County an attractive place to do business and played a significant role in our decision to locate in Fulton.”

In the report, Comptroller DiNapoli holds that IDAs can’t loan their own monies to businesses. The County of Oswego IDA disagrees with the State Comptroller’s opinion. In the case of the County’s PILOT EDF Revolving Loan Fund, the PILOT payments – which, by definition are not tax dollars – never become the IDA’s own money. The IDA simply administers the fund as authorized by the County to make loans to other businesses that want to expand in, remain in or establish operations in Oswego County.

“The Revolving Loan Fund is a local program that works for Oswego County,” said Carolyn Rush, County of Oswego Industrial Development Agency chair. “The State shouldn’t interfere with the County Legislature’s laudable efforts to attract investment and make our community competitive.”

The IDA will continue to address the Comptroller’s findings. A corrective action plan is required to be submitted to the Comptroller’s office within 90 days. “We intend to address the recommendations set out in the Comptroller’s report in a manner that is in the best interest of Oswego County,” concluded Rush.

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