



**COUNTY OF OSWEGO INDUSTRIAL DEVELOPMENT AGENCY
UNIFORM TAX EXEMPTION POLICY**

Pursuant to the authority vested in it by Article 18-A of the General Municipal Law of the State of New York, the County of Oswego Industrial Development Agency (the "Agency") may provide financial assistance to qualified applicants for qualified projects in the form of issuance of its tax-exempt or taxable bonds, by providing direct financial lending assistance, or by participation in sale/leaseback transactions (i.e., real property tax, sales and use tax and/or mortgage recording tax exemptions).

In order to encourage and enhance economic development, job creation and retention, and to improve the quality of life in Oswego County, the Agency has adopted this Uniform Tax Exemption Policy to provide guidelines for the provision of financial assistance to attract new business and industry and to help facilitate the expansion and retention of existing employers.

Qualified applicants to the Agency may receive exemptions from real property taxes, sales and use taxes and mortgage recording taxes as described below. The Agency may provide enhanced benefits on a case by case basis for a project expected to have a significant economic impact on Oswego County, NY, as determined by the Agency.

A. REAL PROPERTY TAX EXEMPTIONS

The Agency's general policy is to provide applicants real property tax exemptions for qualified projects. The exemption provided applies to value added by construction and/or renovations and to the site where improvements are being made. The exemption schedule is as follows:

<u>Year</u>	<u>Manufacturing</u>	<u>Non-Manufacturing</u>
1	75	60
2	75	60
3	75	50
4	75	50
5	75	40
6	60	40
7	60	30
8	60	30
9	60	20
10	60	10
11	50	No Exemption
12	50	
13	40	
14	40	
15	30	
16	30	
17	20	
18	20	

19	10
20	10
21	No Exemption

Because 501(c)(3) not-for-profit charitable organizations are exempt from real property taxes, the Agency's policy with respect to such Civic Facility projects is to treat them accordingly.

The Agency's general policy is to consider freezing or establishing and fixing the value of a project for the term of the exemption period based upon consideration of the factors listed in Paragraph E, hereof, no one of which is determinative; provided, however, that a determination to freeze or fix the value shall not be considered a deviation from policy.

Eligible projects include basic manufacturing projects (i.e. manufacturing, remanufacturing, assembly, processing, product research and development, etc.) and non-manufacturing projects (i.e. warehouse, wholesale/distribution, qualified retail, office, hotel, health care, all other eligible types according to New York State Law).

Any deviations from the general policy will be made only with the specific approval of the Agency based on the factors listed in Paragraph E and those described in the New York State General Municipal Law Section 874. Additionally, the Agency shall notify the affected tax jurisdictions of the proposed deviation from such policy and the reasons therefore in accordance with New York State Law.

B. PAYMENT IN LIEU OF TAXES

Each project receiving an exemption will be subject to a Payment In Lieu Of Tax Agreement ("PILOT Agreement") in a form acceptable to the Agency. The Agency will use existing tax data to negotiate the PILOT Agreement. Appraisals may be required or used in place of existing tax data or in addition thereto, on a case-by-case basis, based upon any or all of the factors listed in Paragraph E. When an appraisal is required, the appraiser would be chosen, and paid for, by the applicant with consent of the Agency. A copy of the PILOT Agreement will be forwarded to each of the affected tax jurisdictions within fifteen (15) days of execution. Unless otherwise agreed by the Agency, and authorized by the affected tax jurisdictions, such payments shall be allocated among the affected tax jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each affected tax jurisdiction had the project not been tax exempt due to the status of the Agency involvement with the project.

C. SALES AND USE TAX EXEMPTIONS

The Agency's policy is to permit qualified project applicants, as Agent to the Agency, to claim exemptions from sales and use taxes on the construction and equipping of a project to the full extent permitted by New York State Law.

Operating and maintenance expenses of projects are not incurred as Agent of the Agency and, therefore, no sales and use tax exemption is provided.

All project applicants must agree in writing to file with the New York State Department of Taxation, in form and at times required, an annual statement of the value of all sales and use tax exemptions claimed in connection with the qualified project in full compliance with Section 874(8) of the General Municipal Law, and any other statutory or regulatory requirements.

D. MORTGAGE RECORDING TAX EXEMPTIONS

The Agency's policy is to permit mortgage recording tax exemptions on all eligible project related financing to the full extent permitted by New York State Law.

E. DEVIATIONS

In addition to or in lieu of the foregoing, the Agency may determine, on a case by case basis, to deviate from the guidelines described above or provide enhanced benefits for a project expected to have significant impact in the locality where the project will be located. Any deviations from the guidelines set forth above requires the written notification by the Agency to the chief executive officer of each affected tax jurisdictions in accordance with New York State Law. The Agency may consider any or all of the following factors in making such determination, no single one of which is determinative:

- ◆ The nature of the proposed project (e.g. manufacturing, commercial, civic, etc.).
- ◆ The nature of the property before the project begins (e.g. vacant land, vacant building, etc.).
- ◆ The economic condition of the area at the time of the application and the economic multiplying effect the project will have on the area.
- ◆ The extent to which the project will create or retain permanent, private sector jobs, the number of jobs to be created/retained and/or the salary ranges of such jobs.
- ◆ The estimated value of tax exemptions to be provided.
- ◆ The economic impact of the project and the proposed tax exemptions on affected tax jurisdictions.
- ◆ The impact of the proposed project on existing and proposed businesses and economic development projects in the vicinity.
- ◆ The amount of private sector investment generated or likely to be generated by the proposed project.
- ◆ The likelihood of accomplishing the proposed project in a timely fashion.
- ◆ The effect of the proposed project upon the environment and surrounding property.
- ◆ The extent to which the proposed project will require the provision of additional services including, but not limited to, educational, transportation, emergency medical or police and fire services.
- ◆ The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts in which the project is located.
- ◆ The extent to which the proposed project will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the project is located.
- ◆ The extent to which the proposed project will use local contractors, local suppliers and local labor during construction, renovation and/or equipping of the project.
- ◆ The extent of the public support for the proposed project.
- ◆ Any other pertinent reasons deemed relevant by the Agency provided said reasons are set forth in writing.

F. RECAPTURE OF BENEFITS

The Agency, at its sole discretion and on a case-by-case basis, may determine, with respect to a particular project, that a project has failed to meet its intended goals and to require the project applicant to agree to the recapture by the Agency of the value of any or all exemptions from taxation with respect to the project by virtue of the Agency's involvement. Events that the Agency may consider to recapture may include, but not be limited to:

- ◆ Sale or closure of facility;
- ◆ Significant employment reduction where the number of jobs is reduced below 60% of the number employed at the time of application;
- ◆ Actual job creation is below 60% of the employment projections provided by the company at the time of application;
- ◆ Significant change in use in facility;
- ◆ Significant change in business activities or project applicant or operator;
- ◆ Material noncompliance with or breach of terms of Agency transaction documents or of zoning or land use laws or regulations or federal, state or local environmental laws or regulations; or
- ◆ No substantial future economic benefit is likely to accrue to the community.

If the Agency determines to provide for the recapture with respect to a particular project, the Agency shall use the following recapture schedule which will apply to PILOT Agreement benefits, sales and use tax benefits and mortgage recording tax benefits:

Within two years of effective date of PILOT:	75%
Within three years:	60%
Within four years:	40%
Within five years:	20%
Six years or more:	0%

Any funds recaptured will be distributed proportionally to the affected tax jurisdictions.

G. This Uniform Tax Exemption Policy shall apply to all projects for which the Agency adopts an Inducement Resolution.

H. The Agency, upon notice to all affected tax jurisdictions, may amend or modify the foregoing policy in accordance with New York State Law.

Adopted: March 1, 1999