

County of Oswego Industrial Development Agency



Premier Living Suites



Whitewater Commons, Inc.



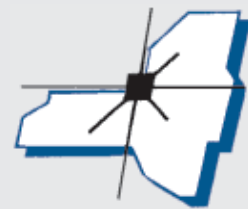
Tailwater Lodge



United Wire Technologies, Inc.



Pathfinder Industries, Inc.



Annual Report
FY 8/1/12-7/31/13

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

Nicholas M. Canale*

Jonathan Daniels

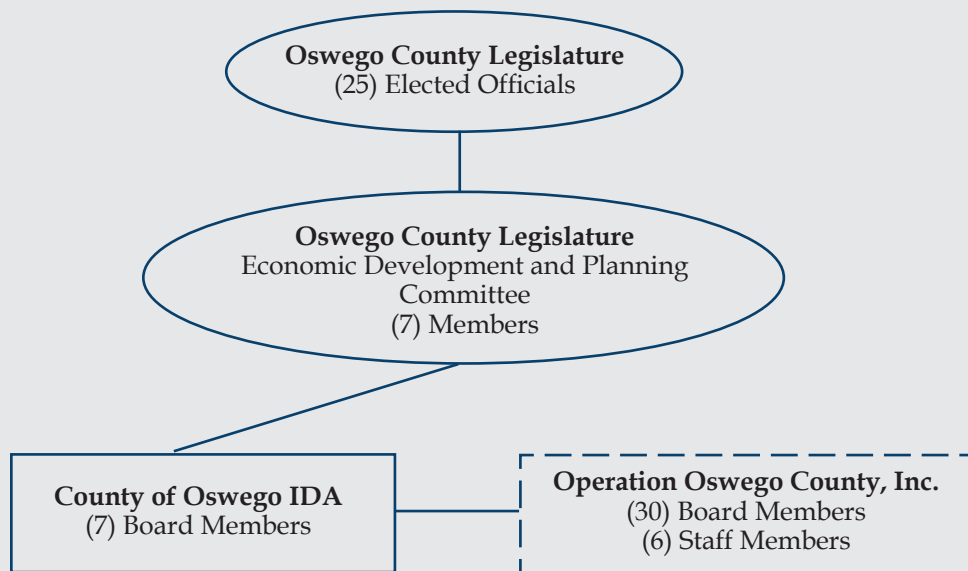
Donald H. Kunzwiler

Arthur W. Ospelt

Morris Sorbello

L. Michael Treadwell, CEcD
Chief Executive Officer

David S. Dano
Chief Financial Officer



*Appointed 6/13/13 to fill the vacancy as a result of Arthur W. Ospelt's death.

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 and in compliance with NYS legislation.
- 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

8/16/12 3/12/13
 8/29/12 3/27/13
 9/17/12 4/11/13
 9/28/12 4/18/13
 10/22/12 4/25/13
 10/31/12 5/16/13
 11/20/12 6/18/13
 12/18/12 7/10/13
 1/15/13 7/31/13
 2/19/13

Public Hearings Held

8/29/12 MDR Properties, LLC (United Wire Technologies)
 9/26/12 McIntosh Box & Pallet Co., Inc.
 10/15/12 Design Concepts and Enterprises, LLC
 10/22/12 V-Squared Management, LLC
 (HealthWay Products)
 10/30/12 607 Phillips Street Acquisitions, LLC
 11/19/12 Champlain Valley Specialties of New York, Inc.
 11/20/12 86 State St. Phoenix, LLC
 1/22/13 Lake Ontario Property Associates, Inc.
 3/14/13 Altmar Genesee, LLC
 4/2/13 SAM North America, LLC
 5/14/13 Erie Boulevard Hydropower, L.P.
 5/17/13 Eagle Beverage Company, Inc.
 5/24/13 BioSpherix, Ltd.
 7/16/13 Felix Schoeller North America, Inc.

Compliance & Reporting/Other Activities

- The ESDC Notification of Initial Allocation for the issuance of Private Activity Bonds for 2013 was \$3,870,961.
- IDA annual employment survey completed.
- Member of the Council of Development Finance Agencies.
- Returned \$2,288 to HUD as required for earned interest in 2012.
- Annual Financial Report and Audit Report filed with the NYS Office of the State Comptroller, County of Oswego and ESD for FY ended 7/31/12.
- 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 14 projects: SAM North America, LLC; McIntosh Properties, LLC; Erie Boulevard Hydropower, L.P.; Pathfinder Industries, Inc.; Altmar Genesee, LLC (Tailwater Lodge); Champlain Valley Specialty of NY, Inc.; 86 State St. Phoenix, LLC; 607 Phillips Street Acquisition, LLC; Bridgewood Holdings Ltd. (Teti Bakery, USA, Inc.); Sithe/Independence Power Partners, L.P.; MDR Properties, LLC (United Wire Technologies, Inc.); G&S Broadwell, Inc. (Lake Ontario Event and Conference Center); LEEH, LLC (Premier Living Suites); and V-Squared Management, LLC (Kallet Theater).
- Appointment of Project Operator or Agent (ST-60) filed with the NYS Department of Taxation and Finance for the following 15 projects: G&S Broadwell, Inc.; Seaway Lofts Associates, LLC; SAM North America, LLC; Pathfinder Industries, Inc.; Sunoco, Inc.; Altmar Genesee, LLC; 607 Phillips Street Acquisition, LLC; Champlain Valley Specialty of NY, Inc.; 86 State St. Phoenix, LLC; V-Squared Management, LLC; Bridgewood Holdings, Ltd.; McIntosh Properties, LLC; MDR Properties, LLC; LEEH, LLC; and Whitewater Commons, Inc.
- UTEP deviation notifications were filed with the taxing authorities for 607 Phillips Street Acquisition, LLC, G&S Broadwell, Inc., BioSpherix, Ltd. and Felix Schoeller North America, Inc.
- 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.
- 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 7/31/12, 7/31/13 and 7/31/14 with the NYS ABO and County.

Compliance & Reporting/Other Activities, cont.

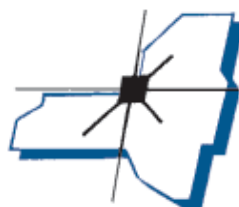
- Complied with the filing of the Annual Certification of Code of Ethics and Annual Financial Disclosure Statement to the County of Oswego Board of Ethics.
- Adopted a Use of Discretionary Funds Policy.
- CEO continued to be authorized to be the primary Authorizer Designation for PARIS.
- Reviewed and approved continuing the Procurement Policy in compliance with GML.
- Reviewed the Disposition of Property Guidelines, no changes made, CEO appointed to serve as the Contracting Officer.
- Annual Report for FY ended 7/31/12 was prepared and posted on the Agency's website.
- The Investment Policy was in compliance with the collateral requirements for FY ended 7/31/12.
- Annual review of the Conflict of Interest Policy was conducted, no changes recommended.
- Temporary deferments on loan/lease payments were granted for the following: St. Peter's Outfitter, Mahalaxmi Motels, and Oswego YMCA.
- Grossman St. Amour CPAs, PLLC conducted the audit for FY ended 7/31/12.
- PARIS reporting for FY ended 7/31/12 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.
- At the request of the Agency, the Oswego County Legislature has 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 2012.
- 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.
- Annual performance review of the CEO and CFO was conducted.
- Approved a resolution designating the Secretary of State an Agent for Service of a Notice of Claim pursuant to GML.
- Submitted a CFA application to establish a Start Up NY EDF.
- An application for an EPA Phase II Assessment Grant for the Port of Oswego was submitted.
- Code of Ethics Policy was adopted.

Compliance & Reporting/Other Activities, cont.

- FOIL Policy was adopted.

Project Assistance

Project	Location	Type	Projected Jobs		Financial Assistance		Total Project Cost \$	Status
			New	Ret.	Type	Amount \$		
V-Squared Management, LLC/ Kallet Theater	Richland	RE/Service	4		PILOT EDF	170,000	1,300,048	Delayed
CL Fitness, LLC	Fulton City	Service	1	6	PILOT EDF	25,000	50,000	Funded
Teti Bakery USA, Inc.	Volney	Mfg.	63		PILOT EDF	400,000	3,300,000	Funded
					S/L	342,380	N/A	Leased
MDR Properties, LLC/ United Wire Technologies, Inc.	Constantia	Mfg.	6	8	PILOT EDF	280,000	1,419,000	Funded
					IRP EDF	210,000	N/A	Funded
					S/L	214,900	N/A	Leased
Design Concepts and Enterprises, LLC	Hastings	Mfg.	13		PILOT EDF	235,000	648,000	Funded
Whitewater Commons, Inc.	Oswego City	Housing/Service	8		PILOT EDF	125,000	2,962,835	Funded
					S/L	195,808	N/A	Leased
Jay F. Sullivan, MD	Richland	Service	1		PILOT EDF	31,000	42,500	Funded
Mark's Letters, Signs & Specialties	Fulton City	Service	4		PILOT EDF	20,000	98,000	Funded
LEEh, LLC/ Premier Living Suites	Oswego City	Housing	3		PILOT EDF	325,000	3,375,000	Funded
					S/L	476,250	N/A	Leased
St. Francis Commons	Oswego City	Service/Housing	30		PILOT EDF	500,000	9,158,000	Delayed
86 State St. Phoenix, LLC	Schroepel	Mix Use	8		S/L	138,421	572,146	Leased
Champlain Valley Specialty of NY, Inc.	Oswego	Mfg.	30		S/L	170,220	1,050,000	Leased
607 Phillips Street Acquisition, LLC	Fulton City	Mfg.	183		S/L	401,604	3,175,000	Leased
V-Squared Management, LLC/ HealthWay Home Products, Inc.	Richland	Mfg.	21		S/L	283,700	808,239	Approved
McIntosh Box and Pallet Co., Inc.	Constantia	Mfg.	6	44	PILOT EDF	200,000	912,564	Funded
					S/L	155,620	N/A	Approved
Felix Schoeller North America, Inc.	Richland	Mfg.	65		PILOT EDF	500,000	6,250,000	Approved
					S/L	72,000	N/A	Approved
Murphy's Automotive Solutions, LLC	Oswego	Service	4		PILOT EDF	99,500	445,700	Approved
New Moon Telescopes	West Monroe	Mfg.	2		MEP EDF	25,000	70,266	Funded
Eagle Beverage Company, Inc.	Oswego	Distribution	8	54	S/L	909,666	5,591,100	Approved
Fulton Tool Co., Inc.	Fulton City	Mfg.	3		IRP EDF	83,660	209,150	Approved
BioSpherix, Ltd.	Parish	Mfg.	12	56	S/L	43,000	571,000	Approved
Lake Ontario Property Associates, Inc./ Padma Ram, MD	Oswego City	Service	14		PILOT EDF	35,000	1,594,692	Approved
					S/L	70,000	N/A	Approved
Hillside Plaza Laundry, Inc.	Oswego City	Service	1		PILOT EDF	55,500	80,800	Funded
Erie Boulevard Hydropower, LP	Orwell	Electric Power		5	S/L	N/A	N/A	Leased
SAM North America, LLC	Schroepel	Mfg.	10	4	S/L	124,740	2,215,000	Leased
Winter Harbor, LLC	Hastings	Service	3		PILOT EDF	79,000	192,000	Funded
Pathfinder Industries, Inc.	Fulton City	Mfg.	2	23	S/L	570,360	4,130,000	Leased
Altmar Genesee, LLC/ Tailwater Lodge	Albion	Service	42		S/L	251,120	2,205,000	Leased
ServiceMaster Janitorial by Zvon, Inc.	Sandy Creek	Service	5		MEP EDF	25,000	59,680	Funded
Mother Earth Baby, LLC	Oswego City	Service	4		PILOT EDF	74,000	201,324	Funded
Total			556	200		7,917,449	52,687,044	



Financing Programs

Loans/Leases Paid in Full

Project	Location	Type	Original Fin. Date	Fin. Type	Amount \$
Bake Shop Eatery	Mexico	Service	10/09	MEP EDF	25,000
EVM, Inc.	Scriba	Service	04/07	Gen EDF	99,000
Geo Hotel Co., Inc.	Oswego City	Service	10/94	PILOT EDF	140,000
KCC, LLC (Arby's)	Richland	Service	12/05	PILOT EDF	100,000
Mantangi Hotels, LLC	Oswego City	Service	10/04	PILOT EDF	50,000
Modheshwari Motels, LLC	Oswego City	Service	10/04	PILOT EDF	50,000
Oley's East, Inc.	Scriba	Retail	11/07	PILOT EDF	50,000
Pathfinder Industries, Inc.	Fulton City	Mfg.	08/08	PILOT EDF	92,500
Precision Wood Flooring Products, LLC	Volney	Mfg.	6/06	PILOT EDF	600,000
Soules & Dunn Associates (Arby's)	Fulton City	Service	9/99	HUD EDF	50,000
St. Lukes Health Services	Oswego City	Service	12/02	PILOT EDF	150,000
Whitewater Commons, Inc.	Oswego City	RE/Service	11/02	PILOT EDF	100,000
Woodruff Block, LLC	Oswego City	RE/ Mix Use	4/11	PILOT EDF	100,000

Bad Debt Loans

Project	Location	Type	Original Fin. Date	Fin. Type	Amount \$	Bad Debt \$
Empire Fresh Cuts	Oswego	Mfg.	3/04	PILOT EDF	177,300	114,736
KLG Transit, Ltd.	Granby	Trans.	5/05	PILOT EDF	15,000	3,113
Sabona's Café, Inc.	Richland	Service	3/11	PILOT EDF	25,000	7,110

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 PILOT Payments - FY Ended 7/31/13

	<u>Amount</u>	<u>%</u>
School Districts	\$5,064,971	66.5
City/Town/Village	\$ 603,434	7.9
County	\$1,775,651	23.3
County IDA*	<u>\$ 177,139</u>	<u>2.3</u>
<u>Total:</u>	<u>\$7,621,195</u>	<u>100.0</u>

*County's prorata share was split 90/10 with IDA to recapitalize the IDA's PILOT EDF in 2013.

Statement of Revenues and Expenditures and Changes in Net Position - FY Ended 7/31/13

Revenues	
Administration and application fees	\$ 139,000
Interest income	276,000
Payments in lieu of taxes	178,000
Other revenues	92,000
Federal funds – loan repayments	98,000
Total revenues	783,000
Expenditures	
Administration	283,000
Provision for uncollectible loans	-
Other expenses	236,000
Total expenditures	519,000
Change in net position	264,000
Net position – beginning of year	17,766,000
Net position – end of year	\$ 18,030,000

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

Statement of Net Position - FY Ended 7/31/13

Assets

Cash	\$ 8,829,000
Loans receivable	10,055,000
Project Assets, net	1,182,000
Total Assets	\$ 20,066,000

Liabilities

Deferred revenue and other liabilities	\$ 1,083,000
Loan Payable	253,000
Mortgage Payable	700,000
Total Liabilities	\$ 2,036,000

Net Position

Reserved – cash	\$ 4,671,000
Reserved – loans receivable	8,408,000
Unreserved	4,951,000
Total Net Position	\$ 18,030,000

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

Schedule of Bonds/Notes - FY Ended 7/31/13

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

Internal Control Structure and Procedure - FY Ended 7/31/13

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

Compensation Schedule - FY Ended 7/31/13

Not applicable; IDA had no employees.

Real Property Owned - FY Ended 7/31/13

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 7/31/13

None.

Code of Ethics

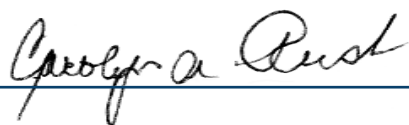
See Code of Ethics Policy listed on website at www.oswegocountyida.org.

Approval and Certification for FY Ended 7/31/13

The Annual Report of the County of Oswego IDA was approved by the Board of the Agency on November 6, 2013.

The information contained in the Annual Report for the County of Oswego IDA for FY ended 7/31/13 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:


 _____ 11/04/13
 Carolyn A. Rush, Chair


 _____ 11/04/13
 H. Leonard Schick, Secretary/Treasurer


 _____ 11/04/13
 L. Michael Treadwell, CEO