

County of Oswego Industrial Development Agency



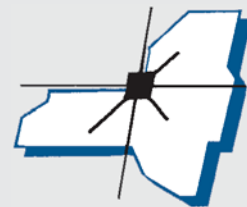
Novelis Corporation



Buttolph Lumber



Stevedore Lofts



Annual Report
FY 8/1/10-7/31/11

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

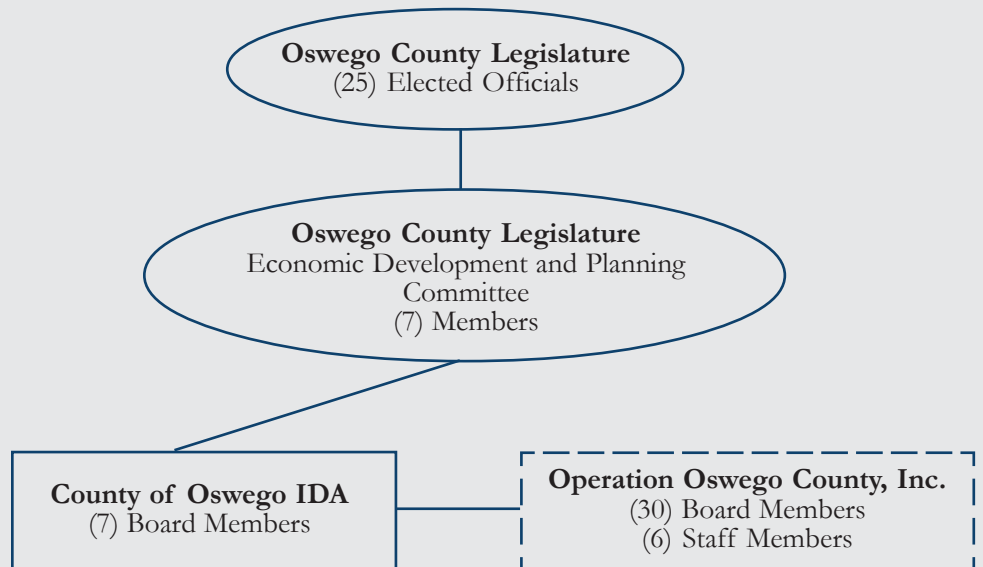
Donald H. Kunzwiler

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.
- Providing financial assistance to eligible and qualified businesses utilizing the USDA Intermediary Relending Program (IRP).

Objectives, cont.

- 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

8/23/10	2/11/11
9/16/11	3/10/11
9/24/11	4/6/11
10/15/10	4/19/11
10/22/10	5/20/11
11/16/10	6/2/11
12/8/10	6/21/11
12/16/10	7/7/11

Public Hearings Held

8/31/10	Stevedore Lofts, LLC
9/10/10	Buttolph Lumber Co., Inc.
9/17/10	Wire Road, LLC (Scriba)
9/17/10	Wire Road, LLC (Oswego)
9/29/10	Sunoco, Inc.
10/7/10	Woodruff Block, LLC
10/7/10	Hillside Commons, LLC
10/22/10	Timberline Hardwood Floors, LLC
12/22/10	Healthway Home Products, Inc.
5/6/11	Circle T Motorsports, LLC
5/19/11	St. Francis Commons
7/6/11	Lindsey Aggregates, Inc.
7/7/11	Novelis Corporation

Compliance & Reporting/Other Activities

- The ESD Notification of Initial Allocation for the issuance of Private Activity Bonds for 2010 was \$3,642,000 and for 2011 was \$3,867,192.
- IDA annual employment survey completed.
- Member of the Council of Development Finance Agencies.
- Returned \$1,328 to HUD as required for earned interest in 2010.
- Annual Financial Report and Audit Report filed with the NYS Office of the State Comptroller, County of Oswego and ESD for FY ended 7/31/10.
- 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. Negotiated and finalized a settlement with El Paso Power.
- 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: Novelis Corporation, Circle T Motorsports, LLC, Oswego Hamilton Homes Phase III, LLC, Wire Road, LLC, Fulton Thermal Corporation 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 III, LLC, Novelis Corporation, Circle T Motorsports, LLC, Stevedore Lofts, LLC, Fulton Thermal Corporation, Sunoco, Inc., Wire Road, LLC and G&S Broadwell, Inc.
- UTEP deviation notifications were filed with the taxing authorities for Stevedore Lofts, LLC.
- 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.
- 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 7/31/10, 7/31/11 and 7/31/12 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.
- CEO continued to be authorized to be the primary Authorizer Designation for PARIS.
- Reviewed and approved continuing the Procurement Policy in compliance with GML.

Compliance & Reporting/Other Activities, cont.

- Annual Report for FY ended 7/31/10 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: St. Peter's Outfitters, The Reservior Inn, Matangi, Modheshwari and Mahalaxmi Motels, and D&D Logging & Lumber.
- Green & Seifter CPAs, PLLC retained to conduct the audit for FY ending 7/31/11.
- Sponsored "The Next Great Idea" 2010 Business Plan Competition.
- Supported bills to extend IDA civic facility authority (A.5700-A and S.2898-A).
- PARIS reporting for FY ended 7/31/10 was successfully completed.
- Litigation on the defaulted PILOT agreement with Coleman Properties, LLC continued.
- The Agency's application to USDA to participate in the Business & Industry Guarantee Programs as a "Non-Traditional Lender" was approved.
- Co-sponsored the NYSEDC 2011 IDA Section Conference.
- Revised and adopted modifications to the Financing Program Interest Rate Policy for all loan programs providing incentive discounts.
- Retained JC Jones & Associates to conduct an independent assessment of Sure-Lock Industries and Great Lakes Veneer.
- At the request of the Agency, the Oswego County Legislature established 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) organizaitons. The Oswego County Civic Facilities Corporation was created.
- Updated and revised the Agency's Financing Application for all EDF Programs.
- Annual Board of Directors Evaluation was completed in accordance to the NYS ABO Policy Guidance for 2010.
- The Agency closed with the USDA to establish the Intermediary Relending Program creating a \$1,000,000 loan program for working capital and equipment.
- Agency acquired a 61,050 sf building from Pathfinder Bank to lease to Sure-Lock Industries as a solution to a financing restructuring plan negotiated with the bank and company.
- NYS Budget Legislation repealed the IDA Tax.
- In compliance with Section 2824-a and Section 2800 of the PAL, the Agency's Mission Statement and Performance Measurements were submitted to the NYS ABO.
- A review of the Agency's Mission Statement, Goals and Objectives was conducted and amendments were adopted.

Project Assistance

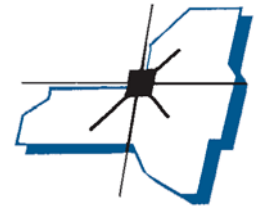
Project	Location	Type	Projected Jobs		Financial Assistance		Total Project Cost \$	Status
			New	Ret.	Type	Amount \$		
Bodified, Inc.	Oswego City	Retail	2		PILOT EDF	22,500	70,000	Funded
Buttolph Lumber Co.	Schroepfel	Wholesale	9		PILOT EDF	158,000	859,000	Funded
Circle T Motorsports	Oswego City	Recreation	48		PILOT EDF	250,000	2,973,500	Funded
					S/L	416,600	N/A	Leased
Fulton Tool Co.	Fulton City	Mfg.	3		PILOT EDF	99,500	140,500	Funded
Healthway Home Products	Richland	Mfg.	27		PILOT EDF	425,000	1,395,150	Funded
Integrative Healing Spa	Oswego City	Service	1		PILOT EDF	20,000	64,995	Funded
Kleis Equipment, LLC	Constantia	Retail	3		PILOT EDF	75,000	350,000	Funded
Oswego County Podiatry	Oswego City	Service		8	PILOT EDF	41,000	48,242	Funded
	Fulton City							
Sabona's Café, Inc.	Richland	Service	12		PILOT EDF	25,000	104,797	Funded
Sashes & Lace, Inc.	Richland	Retail	2		PILOT EDF	50,000	250,000	Funded
The Wall Climbing Center	Oswego City	Recreation	5		HUD EDF	25,000	124,192	Funded
Woodruff Block, LLC	Oswego City	RE	8		PILOT EDF	100,000	1,063,880	Funded
Crofoot's Car Care	Granby	Service	1		MEP EDF	16,000	27,189	Funded
Jackie's Hair Design	Oswego	Service	3		MEP EDF	25,000	41,750	Funded
Tame the Wild Pro Dog Grooming	Albion	Service	1		MEP EDF	25,000	51,870	Funded
Lindsey Aggregates	Scriba	Wholesale	4		IRP EDF	150,000	391,697	Funded
Top This Pizza	Hastings	Service	7		MEP EDF	25,000	72,500	Approved
Stevadore Lofts, LLC	Oswego City	Housing	14		S/L	2,798,000	6,566,255	Approved
Sunoco, Inc.	Volney	Mfg.	69		S/L	120,000	40,411,000	Leased
Hillside Commons	Oswego City	RE		20	PILOT EDF	250,000	1,150,000	Approved
Novelis Corporation	Scriba	Mfg.	100		S/L	11,445,300	208,930,000	Leased
Physical Therapy Plus	Fulton City	Service	2	3	PILOT EDF	87,500	585,000	Approved
W.D. Malone Trucking & Excavating, Inc.	Hannibal	Const.		2	PILOT EDF	80,000	202,000	Approved
V-Squared Management/Kallet Theater	Richland	RE	4		PILOT EDF	240,000	1,300,048	Approved
					PILOT EDF	170,000	N/A	Approved
					S/L	310,000	N/A	Approved
Branches Tree Service	Fulton City	Service	2		MEP EDF	10,000	32,000	Approved
St. Francis Commons	Oswego City	Service/Housing	30		PILOT EDF	500,000	9,158,000	Approved
Fulton Thermal Corp.	Richland	Mfg./R&D	50		PAB	10,000,000	13,500,000	Funded
					S/L	3,398,000	N/A	Leased
G&S Broadwell, Inc./Best Western Hotel & Conf. Center	Oswego City	Service	39		PILOT EDF	500,000	6,100,000	Delayed
					S/L	3,584,000	N/A	Leased
Timberline Hardwood Floors	Volney	Mfg.	7	10	PILOT EDF	120,000	230,000	Funded
LEEh, LLC	Oswego City	Housing	3		PILOT EDF	252,000	2,520,000	Delayed
					S/L	451,850	N/A	Delayed
Bardy's 4 Seasons Tire	Sandy Creek	Service	3	7	PILOT EDF	35,000	430,906	Funded
Oswego Hamilton Homes Phase III	Oswego City	Housing		6	S/L	285,220	15,819,919	Leased
Harbor Lights Services of CNY	Mexico	Service	3	9	PILOT EDF	70,000	748,900	Delayed
RGC-SRE Oswego Acquisitions, LLC/Seaway Lofts	Oswego City	Housing	2		HUD EDF	300,000	6,957,766	Delayed
					S/L	1,941,180	N/A	Delayed
Wire Road, LLC	Scriba	Trans.	5	14	PILOT EDF	300,000	1,031,000	Funded
					S/L	9,000	N/A	Leased
Wire Road, LLC	Oswego City	Trans.	5	14	PILOT EDF	50,000	337,750	Delayed
					S/L	2,880	N/A	Delayed
Total			474	93		39,258,530	324,039,806	

Financing Programs

Loans/Leases Paid in Full

Project	Location	Type	Original Fin. Date	Fin. Type	Amount \$
American Environmental Systems	Fulton City	Mfg.	4/04	PILOT EDF	27,000
Joe's Corner Market	Palermo	Retail	11/03	MEP EDF	15,000
G&S Broadwell, Inc./Best Western	Oswego City	Service	10/03	Gen. EDF	75,000
Canal Commons	Oswego City	RE	10/04	PILOT EDF	100,000
Caster Properties	Fulton City	RE	1/07	PILOT EDF	200,000
Captain's Steak & Seafood	Oswego City	Service	7/06	PILOT EDF	50,000
Checkpoint Enterprises	Constantia	Retail	1/07	PILOT EDF	15,000
Gioia & Associates/Oswego Speedway	Oswego City	Recreation	5/04	PILOT EDF	120,000
Industrial Precision	Oswego City	Mfg.	1/04	PILOT EDF	80,000
J&J Romeo Enterprises	Oswego City	Service	1/04	PILOT EDF	30,000
KCC, LLC/Arby's	Oswego City	Service	1/02	PILOT EDF	75,000
Laser Transit	Sandy Creek	Trans.	8/00	PILOT EDF	99,700
Northeast Biofuels	Volney	Mfg.	9/08	PILOT EDF	1,000,000
OOC/New York Bold	Volney	Mfg.	9/01	Gen. EDF	24,000
Pulaski Early Learning Center	Richland	Service	11/09	HUD EDF	85,984
Sashes & Lace	Richland	Retail	6/04	PILOT EDF	35,000
Oley's Express	Oswego	Retail	3/00	PILOT EDF	72,500

Bad Debt Loans: None recorded for the FY.



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 2011 PILOT Payments

	<u>Amount</u>	<u>%</u>
School Districts	\$5,017,100	65.0
City/Town/Village	\$ 739,700	9.6
County	\$1,782,900	23.1
County IDA*	<u>\$ 180,700</u>	<u>2.3</u>
<u>Total:</u>	\$7,720,400	<u>100.0</u>

*County's prorata share was split 90/10 with IDA to recapitalize the IDA's PILOT EDF in 2011.

Statement of Revenues and Expenditures - FY Ended 7/31/11

Revenues	
Administration/application fees	\$ 362,661
Interest on savings	13,900
Interest on loans	225,762
Payments in lieu of taxes	175,963
Rent income	3,296
Total revenues	\$ 781,582
Expenditures	
Administration fee	\$ 187,500
Dues	1,194
Professional fees	46,311
Misc.	26,652
Cogeneration facility expenses	38,557
Provision for uncollectible loans	116,029
Other expenses	6,353
Total expenditures	\$ 422,596
Excess of revenues over expenditures	\$ 358,986

Balance Sheet - FY Ended 7/31/11

Assets

Current Assets	
Cash - unrestricted	\$ 4,170,504
Cash – restricted	5,364,230
Loans receivable	1,064,155
Total Current Assets	\$ 10,598,889
Other Assets	
Loans receivable – LT	\$ 8,224,052
Allowance for loans receivable	(238,855)
Net loans receivable	7,985,197
Project assets	1,229,720
Total Other Assets	\$ 9,214,917
Total Assets	\$ 19,813,806

Liabilities and Net Assets

Current Liabilities	
Deferred revenue	\$ 13,967
Accounts payable	500
Due to government	1,522
Total Current Liabilities	\$ 15,989
Non-Current Liabilities	
Loan Payable	\$ 112,500
Mortgage Payable	700,000
Total Non-Current Liabilities	\$ 828,489
Net Assets	
Restricted	Cash \$ 5,364,230
	Loans receivable 7,979,759
Unrestricted	5,641,328
Total Net Assets	\$ 18,985,317
Total Liabilities and Net Assets	\$ 19,813,806

Schedule of Bonds/Notes - FY Ended 7/31/11

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

Internal Control Structure and Procedure - FY Ended 7/31/11

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

Compensation Schedule - FY Ended 7/31/11

Not applicable; IDA had no employees.

Real Property Owned - FY Ended 7/31/11

<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 7/31/11

None.

Code of Ethics

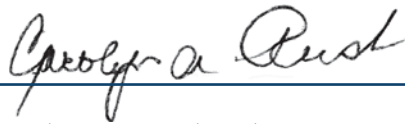
See Code of Ethics Policy listed on website at www.oswegocountyida.org.

Approval and Certification for FY Ended 7/31/11

The Annual Report of the County of Oswego IDA was approved by the Board of the Agency on October 20, 2011.

The information contained in the Annual Report for the County of Oswego IDA for FY ended 7/31/11 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:


 _____ 10/20/11
 Carolyn A. Rush, Chair


 _____ 10/20/11
 H. Leonard Schick, Secretary/Treasurer


 _____ 10/20/11
 L. Michael Treadwell, CEO