

Cayuga County Industrial Development Agency Annual Operations and Accomplishments Report FY 2011

Introduction

The Cayuga County Industrial Development Agency (“CCIDA”) is a public benefit corporation created under Title I of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 688 of the Laws of 1970 of the State of New York (collectively referred to as the “Act”), with the authority and power to promote, develop, encourage and assist in acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, civic, research, and recreational facilities as authorized by the Act, in connection therewith to issue its revenue bonds, enter into straight lease transactions and provide other forms of financial assistance on behalf of client enterprises to coordinate County, Federal, New York State and Municipal programs to insure that each client has access to the full range of development incentives and assistance available to firms locating or expanding in Cayuga County.

The Office of the Agency is located at the Cayuga County Office Building, situated at 160 Genesee Street, 5th Floor, Auburn, NY, 13021.

This document is being presented as the Annual Operations and Accomplishments (“Annual”) Report for the Cayuga County Industrial Development Agency’s (“CCIDA” or the “Agency”) Fiscal Year ending 12/31/2011 in full compliance with the New York State Public Authorities Law (“PAL”) Section 2824-a, the 2005 NYS Public Authorities Accountability Act (“PAAA”) and the 2009 PARA. The goal of this report is to provide a written assessment and summary review of CCIDA’s operations and accomplishments during FY2011. In some cases, this report will refer to and identify the publicly available (and posted) location of supporting reports or materials that provide the information cited. Collectively, this report and the cited materials include the following areas of concern:

1. Overview of CCIDA Operations and Accomplishments
2. Revenues & Expenditures
3. Assets & Liabilities
4. CCIDA Compensation
5. Overview of Projects undertaken by the Agency
6. Real Property Owned and/or Disposed of by the Agency
7. The CCIDA Code of Ethics
8. Assessment of the Effectiveness of CCIDA Internal Controls
9. CCIDA Investment Report.

I. Overview of Operations & Accomplishments

The CCIDA continued to operate under its authority in FY2011 with a full Board of Directors and staff provided through the Cayuga County Department of Planning & Economic Development and the Cayuga County Office of the County Treasurer. The Board conducted annual and monthly meetings (with the exception of February 2011) and conducted an independent financial audit for the FY2011 as required by statute. The CCIDA monthly Board meetings were public meetings and were posted as such and each meeting included a Treasurer's Report and a review and approval of previous meeting minutes. The full minutes of the Board meetings of FY2011 are available online for review at:

<http://co.cayuga.ny.us/planning/ccida.htm> and are also available for review at the CCIDA offices.

During FY2011 the CCIDA continued its particular focus on two primary economic development initiatives:

- **CEDA**. In FY2011 CCIDA provided support for, and coordination with, the Cayuga Economic Development Agency ("CEDA"), the County's newly formed private-sector economic development agency. This Agency was developed to provide full-time, private sector driven economic development coordination and collaboration between the existing Industrial Development Agencies and organizations operating within Cayuga County while implementing a structured and effective Business Retention and Expansion Program.
 - The CCIDA Board and staff played an instrumental role in supporting the organizational development of the CEDA organization in FY10 and continued that support in FY11, including but not limited to:
 - Technical assistance with overall economic development initiatives and project development;
 - Development of a Countywide Strategic Economic Development Strategy;
 - Community Outreach and Networking; and
 - Establishment of the Synchronist Software BRE program.
- **CCIDA Industrial Park Infrastructure Development**. CCIDA continued to work on bringing the Agency-owned Aurelius Industrial Park to "shovel ready" status and to position this asset for targeted value-added agricultural business development. Specific activities included, but were not limited to:
 - Construction of over 1400 LF+/- of new roadway, sewer and water lines;
 - Working with the Cayuga County Soil & Water Conservation District (CCSWCD) on site development and project management;
 - Working with the Town of Aurelius on streamlining site permitting and provision of adequate water and sewer services and utility infrastructure including the framing of bulk water and sewer rates for projects within the CCIDA Industrial Park.

In addition to these focus areas, the CCIDA also worked to market CCIDA services and available incentives and benefits to existing business enterprises and to seek opportunities for new business development. Two (2) projects initiated in FY2010 were closed and deployed in FY2011. These are described briefly below:

D&W Diesel Expansion Project. The CCIDA has an ongoing supportive relationship with D&W Diesel, a fully equipped and locally based remanufacturer and distributor of new and remanufactured parts and components located in the Town of Aurelius, NY. D&W focuses on providing goods and services related to specific product lines within the areas of diesel engine components, performance engine products, tank truck equipment, industrial bulk transfer equipment, and hose products. The CCIDA has assisted D&W Diesel with two (2) expansion projects in the past (1995 and 2006) and was approached by the company in 2010 with plans for their largest expansion yet.

The CCIDA worked with D&W Diesel to position itself for the expansion and received a completed application in the fall of 2010. In November 2010, the CCIDA approved an Initial Project Resolution for D&W's expansion project and held a Public Hearing on the proposed expansion and IDA benefits on December 14, 2010. The CCIDA closed on the D&W project and deployed IDA benefits to the company in FY2011. The Construction of the facility was completed between FY11 and the current fiscal year (2012) and employment goals are on target.

LeBrun Motors Development Project ("Eastern DSL"). The CCIDA was approached by LeBrun Motors, a prominent and successful Nissan auto dealership about a potential relocation to the Town of Sennett in Cayuga County in order to access their primary sales market and customer base and retain and improve overall market share.

In April of 2010, the CCIDA passed an Initial Project Resolution authorizing the acceptance of the project application, identifying the scope of the project and the anticipated CCIDA benefits to be provided. This action was followed by a CCIDA Public Hearing in June 2010 in the Town of Sennett and subsequent Project Authorizing Resolution in July 2010. Although the project closed in late 2010 and is included in the activities report for FY10, the company completed project construction in FY11 and will receive PILOT benefits beginning in FY2011 for School Taxes (Weedsport Central School District) and beginning in FY2012 for Town of Sennett and Cayuga County Taxes.

II. CCIDA REVENUES AND EXPENSES FY2011

The CCIDA has conducted an independent financial audit of the fiscal year ended 12/31/2011. The full audit, including an analysis and overview of the CCIDA Revenues and Expenses for the fiscal year, is available both online at the CCIDA website (<http://co.cayuga.ny.us/planning/ccida.htm>) and at the CCIDA offices, Cayuga County Office Building, 160 Genesee Street, 5th Floor, Auburn, NY 13021.

III. CCIDA ASSETS AND LIABILITIES FY2011

As stated above, the CCIDA independent financial audit of the fiscal year ended 12/31/2011 also includes an analysis and overview of the CCIDA Assets and Liabilities for the fiscal year, which is also available both online at the CCIDA website (<http://co.cayuga.ny.us/planning/ccida.htm>) and at the CCIDA offices, Cayuga County Office Building, 160 Genesee Street, 5th Floor, Auburn, NY 13021.

IV. CCIDA CORPORATION COMPENSATION

The CCIDA is located at the Cayuga County Office Building in Auburn, NY and operates with staff support provided by Cayuga County. The primary staff members working with the CCIDA on daily operation and administration are the CCIDA Executive Director who is also the Director of the Cayuga County Office of Planning & Economic Development and the CCIDA Secretary/Treasurer who is also the Cayuga County Deputy Treasurer.

The CCIDA Executive Director does not receive any compensation by the CCIDA and is paid fully by Cayuga County as Director of Planning & Economic Development. The Executive Director is reimbursed for expenses incurred in the performance of his duties to the CCIDA such as mileage, etc.

The CCIDA Secretary/Treasurer receives an annual \$10,000.00 payment, through Cayuga County, for services rendered to the CCIDA. The CCIDA pays this amount to Cayuga County on an annual basis.

In addition to these primary positions, the CCIDA receives technical assistance from time to time through Cayuga County. This support assistance is provided at no cost to the CCIDA.

V. PROJECTS UNDERTAKEN BY THE CCIDA IN FY2011

The CCIDA undertook a number of projects in FY2011, including the LeBrun Motors and D&W project initiations which span FY10 and '11 and have already been discussed under Section I, Overview of Operations & Accomplishments. In addition to these projects, the CCIDA also engaged in the following economic development activities:

- An analysis of CCIDA Insurance Coverage and Insurance Needs;
- Implementation of the CCIDA Aurelius Industrial Park infrastructure project;
- Board review, analysis and discussion of the Agency's Uniform Tax Exemption Policy ("UTEF")
- Coordination with the CEDA organization on Strategic Economic Development Planning;
- Coordination and interaction with the Cayuga-Cortland Workforce Investment Board and overall workforce development initiatives;
- Review and Assessment of CCIDA Internal Controls;
- Review and Assessment of CCIDA infrastructure needs, including the establishment of bulk water and sewer rates, at the Aurelius Industrial Park;
- Participation in New York State Economic Development Council (NYSEDC) ongoing seminars and conferences on economic development best practices;
- Outreach to Central New York Higher Education institutions to promote technology transfer and commercialization including support for the development of certificate programs in Plastics Technology at the Cayuga Community College (in process);
- Exploration of underutilized industrial lands within Cayuga County and outreach for redevelopment of industrial assets;
- Coordination and networking with Cayuga County agricultural producers, especially in the dairy industry for development of value-added agricultural manufacturing;
- Coordination and networking with the Port of Oswego Port Authority; and
- Outreach to small business assistance organizations and developers and coordination of developer seminars in concert with CEDA and the Auburn IDA.

VI. CCIDA PROPERTY OWNED AND/OR DISPOSED OF FY2011

The CCIDA owns fourteen (14) parcels in the Town of Aurelius, within or adjacent to the CCIDA-owned Aurelius Industrial Park (the Park). Information on these parcels is provided in the table shown below. The CCIDA did not sell or dispose of any real property in FY2011, nor did the Agency acquire any new real property in FY2011.

CAYUGA COUNTY TAX ID #	APPROXIMATE ACREAGE	CURRENT FAIR MARKET VALUE	FMV DETERMINED BY:	DATE OF ACQUISITION
114-2-27.6	1.71 Acres	\$513,000.00	Independent Appraisal	1992
114-2-27.7	2.46 Acres	\$49,200.00	Independent Appraisal	1992
114-2-27.8	2.75 Acres	\$55,000.00	Independent Appraisal	1992
114-3-1	10.08 Acres	\$201,600.00	Independent Appraisal	1992
114-3-2	8.46 Acres	\$169,200.00	Independent Appraisal	1992
114-3-3	10.26 Acres	\$205,200.00	Independent Appraisal	1992
114-3-4	10.32 Acres	\$206,400.00	Independent Appraisal	1992
114-3-5	5.08 Acres	\$101,600.00	Independent Appraisal	1992
114-3-6	8.44 Acres	\$168,800.00	Independent Appraisal	1992
114-3-7	9.95 Acres	\$199,000.00	Independent Appraisal	1992
114-3-8	9.89 Acres	\$197,800.00	Independent Appraisal	1992
114-3-9	9.82 Acres	\$196,400.00	Independent Appraisal	1992
114-3-10	9.82 Acres	\$196,400.00	Independent Appraisal	1992
114-3-11	11.10 Acres	\$222,000.00	Independent Appraisal	1992

VII. CCIDA Code of Ethics

The CCIDA has adopted a Code of Ethics on October 17, 2006 that establishes a high level of ethical conduct the Board of Directors, staff and associates the Agency adhere to. This adopted Code of Ethics is reviewed annually by the Board of Directors and is posted online at the CCIDA website: <http://co.cayuga.ny.us/planning/ccida.htm> and is available at the CCIDA offices. A copy of the adopted Code of Ethics is provided below:

The members of the board (the "Board") of the Cayuga County Industrial Development Agency (the "Agency"), a duly established public benefit corporation of the State of New York (the "State"), along with the officers and staff of the Agency, shall comply with and adhere to the provisions of Article 18 of the General Municipal Law of the State.

Further, no director, officer, or employee of the Agency shall (1) accept other employment which will impair his or her independence of judgment in the exercise of his or her official duties; (2) accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her official position of authority; (3) disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her personal interests; (4) use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself, herself or others; (5) engage in any transaction as a representative or agent of Agency with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with proper discharge of his or her official duties; (6) not, by his or her conduct, give reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person; (7) abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest; and (8) endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

VIII. Assessment of the Effectiveness of CCIDA Internal Controls

The CCIDA FY2011 independent financial audit and financial statements are the responsibility of CCIDA management and the Board of Directors. These statements were prepared in accordance with accounting principles generally accepted in the United States of America. Financial information contained in this report and in the related, cited materials at the CCIDA offices and online at the CCIDA website is consistent with the FY2011 financial statements.

CCIDA has established an Internal Control Structure and the CCIDA Board of Directors conducts an annual review and assessment of its Internal Controls. The objectives of the CCIDA Internal Controls and Structure is to provide reasonable assurance as to the protection of and accountability for assets, compliance with applicable laws and regulations, proper authorization and recording of transactions and the reliability of financial records for preparing financial statements. The Internal Control Structure is subject to periodic review by CCIDA independent auditors in addition to the review by the Board and management.

The CCIDA Board and management are committed to an ongoing assessment of the control structure and are focused on the following continuous improvements:

- Timely compliance with PAAA and PARA throughout the fiscal year, including communication with CCIDA independent auditors and general counsel to bring the Agency in to a structured review and audit schedule ensuring full and timely compliance with statutory compliance, public reporting and transparency;
- Cross training of Agency staff on PAAA/PARA and financial reporting requirements to establish checks and balances for meeting full compliance with scheduled reporting.

IX. CCIDA INVESTMENT REPORT

Deposits and Investments

State statutes govern the Agency's investment policies. In addition, the Agency adopted its own written Investment Policy on October 17, 2006. Agency monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The CCIDA Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and obligations of New York State and its localities.

Collateral is required for demand deposits and certificates of deposit at 105% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

Total bank balances of the CCIDA of \$788,866 at December 31, 2011 are covered by FDIC insurance up to the limits, with the remaining amounts collateralized with securities held by the Agency's financial institution pledged in the name of the Cayuga County Industrial Development Agency. The carrying value of deposits at December 31, 2011 totaled \$732,220. Included in these balances is a 6-month certificate of deposit in the amount of \$628,280 at an interest rate of .32%. The Balance of \$162,866 as of 12/31/11 includes a 6-month certificate of deposit at 150,644.