

Anthony J. Picente Jr.
County Executive

Shawna M. Papale
Secretary/ Treasurer/
Executive Director

Timothy Fitzgerald
Assistant Secretary

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

OCIDA



584 Phoenix Drive
Rome, New York 13441-4105
(315) 338-0393, fax (315) 338-5694

David C. Grow
Chairman
Michael Fitzgerald
Vice Chairman

Ferris Betrus Jr.
Kirk Hinman
Mary Faith Messenger
Eugene Quadraro
Stephen Zogby

To: Oneida County Industrial Development Agency Board of Directors
From: Shawna M. Papale
Date: December 4, 2023
RE: OCIDA Meeting Agenda

The Oneida County Industrial Development Agency shall meet – **8:00 AM Friday, December 8th, 2023**
Members of the public may attend in person at MV EDGE offices at 584 Phoenix Drive, Rome, NY 13441. The Minutes of the Agency meeting will be transcribed and posted on the OCIDA website.

1. Executive Session
2. Minutes- October 2023
3. Financials- October 2023
4. Consider a resolution relating to the **ICA Holdings III, LLC (Indium Woods Park Drive) Facility**, consenting to the sublease of a portion of the facility, subject to the inclusion of the Agency's standard language in the sublease.
5. Consider a resolution relating to the **SQ1 Holdings, LLC Facility**, consenting to a change of control transaction with Crescent Aerospace Technologies, LLC.
6. Consider a resolution relating to the **ECR Properties, Inc. Facility**, authorizing the termination of the PILOT Agreement and all Agency Documents and recapture of financial assistance.
7. Consider an inducement resolution relating to the **EDGE/Marcy Nanocenter Flex Space Facility**, granting preliminary approval for financial assistance in the form of exemptions from sales tax (valued at \$61,250.00), exemptions from mortgage recording taxes (valued at \$66,060.00), and providing for payment of PILOT Payments in accordance with the Agreement Approving PILOT Terms and Allocating PILOT Payments dated October 2013 (Marcy Nanocenter) (payments over 49 years estimated at \$8,587,378.00), which financial assistance is a deviation from the Agency's Uniform Tax Exemption Policy, and authorizing the Agency to conduct a public hearing.
8. Consider a SEQR resolution relating to the **EDGE/Marcy Nanocenter Flex Space Facility**. The Agency is serving as lead agency and wishes to adopt a negative declaration for a Type 1 action, and provide a copy of the negative declaration to the Town of Marcy Supervisor.
9. OCIDA-EDGE 2024 Contract
10. Old Business
11. New Business

Next meeting date – **FRIDAY, January 19th** at 8 AM at 584 Phoenix Drive, Rome, NY

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**Minutes of the Meeting of the
Oneida County Industrial Development Agency
October 16, 2023
584 Phoenix Drive, Rome, NY
And via Webex Video/Teleconference**

Members Present: David Grow, Ferris Betrus, Mike Fitzgerald, Kirk Hinman, Steve Zogby.

Members Present – WebEx: Gene Quadraro, Mary Faith Messenger

EDGE Staff Present: Shawna Papale, Steven DiMeo, Tim Fitzgerald, Laura Cohen, Mark Kaucher, Hannah Phillips, Bill Van Shufflin.

EDGE Staff Present – WebEx: Maureen Carney

Other Attendees: Jenna Peppenelli and Mark Levitt, Levitt & Gordon; Rome Mayor Jackie Izzo, Shaun Kaleta, Oneida County; Debbie Dam, ECR International; Genevieve Trigg, Barclay Damon.

Other Attendees – WebEx: Laura Ruberto, Bond, Schoeneck & King; Joe Tassone, Above Grid Rome, LLC; Dan Huntington, Hamza Khalil, Gareth McDonald, BW Solar Holding Inc.; Robert Ryan, Harris Beach PLLC; Matt Effler, Catalyze LLC.

Chair Grow called the meeting to order at 8:05 AM.

Minutes – September 15, 2023

M. Fitzgerald requested a spelling change to “Chair Grow” in the September minutes. **S. Zogby moved to approve the September 15, 2023 minutes, as corrected. K. Hinman seconded the motion, which carried 7-0.**

Financials

M. Carney presented the 9/30/2023 interim financial statement. Cash was just over \$800,000 which is down \$38,000 over the last twelve months. She stated she needs to follow up on The Hartford PILOT and will report back to the Agency on payments at the next meeting. All annual rents have been received for the year. The open projects list has been cleaned up. Kris-Tech project has closed. Two new application fees were received in the past month. She also shared that she is working with Rome City School District to ensure consistency with PILOT allocations, rates, and billing. The 2022 PARIS report has been uploaded into the PARIS portal, along with the Agency’s approved 2024 budget. The Audit Committee will be meeting soon to discuss the upcoming audit season. M. Fitzgerald reminded S. Papale to draft a management letter prior to the end of December and to include it in the annual audit. **The Agency received and accepted the interim financials presented, subject to audit.**

S. Papale requested that Agenda item Number 8 be covered next. There were no objections.

Annual Project Review – ECR International

S. Papale introduced Debbie Dam, Executive Director of Administration at ECR International, and gave a brief reminder of the modified PILOT request that was made in January 2022. She then gave a summary of the approved PILOT benefits and the most recent jobs report: ECR is ceasing manufacturing operations at their Utica facility in January 2024 but will retain some operations locally. The Utica facility currently has 80 employees. The business is owned by a Quebec company which reviewed production lines and decided to consolidate manufacturing operations to ECR’s sister location in Dunkirk, NY. The owners had long planned to consolidate manufacturing to Dunkirk for efficiency and sell the building in Utica. A WARN Notice was issued on October 6th. The union employees will be let go after 90 days; 35-40 salaried employees will remain in Utica. They are currently looking for office space and are considering space in the Utica Business Park. ECR’s current core product lines do not meet new US Department of Energy efficiency standards, which is also causing the business to change direction and reduce production of lines that were made in Utica. In December

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2021, employment was at 162; in December 2022, employment was 113. M. Fitzgerald then opined that he feels bad about the loss of jobs, but this Agency has a responsibility to the taxing jurisdictions to enforce the contract in place. Chair Grow opined that the contract and potential clawback are two different considerations. S. Papale stated that staff has not performed a calculation of the potential clawback amount. Chair Grow asked for a motion to direct staff to notify the business of its failure to comply with the PILOT agreement. **M. Fitzgerald made a motion to ask staff to notify ECR International of the fact that they are in a major jobs shortfall, and it is the intent of the Agency to enforce the relevant provisions of the PILOT agreement, including a clawback of benefits. M.F. Messenger seconded the motion. The motion carried 7-0.**

Above Grid Rome, LLC – Final Authorizing Resolution

Chair Grow introduced a final authorizing resolution relating to the **Above Grid Rome, LLC Facility**, authorizing financial assistance in the form of reduction of real property taxes for a period of 25 years during which time the Company will pay PILOT Payments equal to \$10,000 per MW-AC (value of exemption approximately \$34,817.00), which is consistent with the Agency's Uniform Tax Exemption Policy and approving the form and execution of related documents, subject to counsel review. The Agency conducted a public hearing on October 18, 2023. S. Papale first pointed out that the calculated PILOT benefit for this proposed project and the proposed BW Solar project are quite different. She shared that this comes down to the way in which municipal assessors are assessing the land on which solar projects will be built. Chair Grow said that State statute states that land associated with a solar project is exempt from an increased assessment, but some assessors are not following this interpretation. This leads to significantly different values in assessment. M. Fitzgerald stated that how the assessors evaluate the land outside of project acreage is not a concern of the Agency. Chair Grow stated that with most solar projects, taxing jurisdictions create sub-parcels on which the project will take place, so that it doesn't create an issue on the entire parcel. But when jurisdictions do not follow this approach, it impacts the overall assessment and therefore the calculated benefits of the project. G. Trigg, representing Above Grid Rome, LLC with Barclay Damon, then weighed in. She stated that this is an assessment issue in which municipal assessors are getting this wrong. She stated that, according to State law, assessors ought to be using the assessment tool that was created by New York State to ensure consistency. Litigation over this assessment model has been resolved, and the model has been upheld as valid. It is therefore the responsibility of landowners to ensure that no increased assessment occurs. Ms. Trigg also pointed out that this project is taking place on land that is already tax-exempt (as it is owned by RIDC), which may factor into the large difference in each project's calculated benefit. Chair Grow stated that the responsibility of the Agency is to calculate a benefit based on the information received on the project and to be clear as to what benefit is being offered. Ms. Trigg suggested that if the given assessment model stays as it is currently formulated, some solar projects in the County may end up terminating benefits because the taxes will be less than the PILOT payment. M. Fitzgerald stated that the court of law will decide the assessment issue, and that it is not necessary or appropriate to offer legal advice to landowners in these situations. F. Betrus asked to clarify that the proposed benefit to the Above Grid project was \$34,817. S. Papale confirmed. **S. Zogby moved to approve the final authorizing resolution relating to the Above Grid Rome, LLC Facility, authorizing financial assistance in the form of reduction of real property taxes for a period of 25 years during which time the Company will pay PILOT Payments equal to \$10,000 per MW-AC (the final value of the exemption will be calculated by staff, with assistance from bond counsel), which is consistent with the Agency's Uniform Tax Exemption Policy and approving the form and execution of related documents, subject to counsel review. M. Fitzgerald seconded the motion. The motion carried 6-1, with F. Betrus opposed.**

Above Grid Rome, LLC – Change of Control

Ms. Trigg reminded the Agency members that in Above Grid Rome's initial request, a request for consent of change of control was included. This request was included proactively since the business was in negotiations with Catalyze LLC. Information has been submitted describing Catalyze LLC and its members. She explained that Catalyze is a national renewable energy business with over 100 MW of renewable power in its portfolio. She introduced Matt Effler from Catalyze LLC to answer any questions.

E. Quadraro left the meeting at 9:12 AM.

M. Fitzgerald made a motion to approve the transfer of ownership of Above Grid Rome LLC to Catalyze Holdings LLC. K. Hinman seconded the motion. The motion carried 5-1, with F. Betrus opposed.

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BW Solar Holding Inc. – Final Authorizing Resolution and Change of Control

Chair Grow introduced a final authorizing resolution relating to the NY CDG ONEIDA 2, LLC/BW Solar Inc. Facility, authorizing financial assistance in the form of reduction of real property taxes for a period of 25 years during which time the Company will pay PILOT Payments equal to \$10,000 per MW-AC (value of exemption approximately \$1,120,396.00), which is consistent with the Agency’s Uniform Tax Exemption Policy, AND consenting to the anticipated change of control transaction to Catalyze LLC, and approving the form and execution of related documents, subject to counsel review. The Agency conducted a public hearing on October 13, 2023. **M. Fitzgerald made a motion to approve the final authorizing resolution and change of control, as read. S. Zogby seconded the motion. The motion carried 5-1, with F. Betrus opposed.**

B240 LLC (Air City Lofts Phase 2) – Consent to Sublease

Consider a resolution relating to the B240 LLC (Air City Lofts Phase 2) Facility, consenting to the sublease of a portion of the Facility to Babbling Brook Childcare, LLC, subject to counsel review of the proposed sublease agreement. **F. Betrus moved to consent to the sublease of a portion of the Facility to Babbling Brook Childcare, LLC, subject to counsel review of the proposed sublease agreement. M. Fitzgerald seconded the motion.** L. Ruberto clarified that counsel needs to confirm that certain exculpatory language is included so that the Agency is adequately protected. Chair Grow congratulated the owner of the facility for being able to attract a childcare provider to the facility. **The motion carried 6-0.**

Housing Policy

Chair Grow introduced a resolution extending the Agency’s existing Housing Policy for a period of two years, through December 31, 2025. Notices were sent to the affected taxing jurisdictions on October 9, 2023. **M. Fitzgerald made a motion to approve the resolution. K. Hinman seconded the motion.** S. Kaleta then explained that Oneida County’ housing study is expected to commence before the end of 2023 and will conclude in about twelve months. S. Papale stated that one comment was received from a taxing jurisdiction after notification, with the Marcy Town Supervisor contending that the definition of “urbanism” is too broad. **The motion carried 6-0.**

At 9:22 AM F. Betrus moved, and S. Zogby seconded, a motion to enter executive session to discuss potential contracts. Motion carried 6-0.

At 10:06 F. Betrus moved, and M. Fitzgerald seconded, a motion to exit executive session. Motion carried, 6-0.

At 10:06 F. Betrus moved, and K. Hinman seconded, a motion to adjourn. Motion carried, 6-0.

Respectfully Submitted,

Tim Fitzgerald

Oneida County Industrial Development Agency
Notes to the Financial Statements
October 31, 2023

Balance Sheet:

1. Cash has increased by 5% over the last 12 months; this is primarily due to the increase in accounts payable
2. The balance in restricted cash is made up of the PILOT holdings related to the Indium (Hartford) PILOT and Sovena
3. The \$1,000 commitment fees collected from the following for projects that have not closed as of June 2023:
 1. Central Utica Building (received November 2021)
 2. Solitude Solar, LLC (received February 2022)
 3. Collins Solar (received March 2023)
 4. Yoder Properties (received May 2023)
 5. Above Grid LLC (received September 2023)
 6. BW Solar-NY CDG Oneida 2 (received September 2023)
4. The balance in accounts payable include the quarterly insurance premiums and September and October staff service payments; checks were cut in November for all of the outstanding accounts payable
5. Fund balance decreased by 3% over the last 12 months

Budget Comparison Report (Income Statement):

1. Interest earned on the 3 CD's has been booked through 10/31
2. Year to date revenue is under budget; closings and application fees received to date are as follows:

| | | | |
|-----------------------------|---|------------------------|-------------------|
| 1/30/2023 | Solar Power Capital (SSC Kirkland) | Admin & Commitment Fee | 41,580.40 |
| 2/7/2023 | Kris-Tech Wire | Application Fee | 500.00 |
| 3/15/2023 | Fiber Instrument Sales | Admin & Commitment Fee | 1,918.00 |
| 3/21/2023 | Mohawk Adirondack & Northern RR Corp | Application Fee | 500.00 |
| 3/21/2023 | Collins Solar | Application Fee | 500.00 |
| 5/8/2023 | Yoder Properties AKA Stark Truss | Application Fee | 500.00 |
| 6/20/2023 | McCraith Beverages/STD Realty | Application Fee | 500.00 |
| 6/29/2023 | Facilities Realty Management Vernon LLC | Admin Fee | 1,500.00 |
| 7/31/2023 | Mohawk Adirondack & Northern RR Corp | Admin & Commitment Fee | 5,000.00 |
| 9/12/2023 | BW Solar- NY CDG Oneida 2 | Application Fee | 500.00 |
| 9/21/2023 | Above Grid LLC | Application Fee | 500.00 |
| 9/28/2023 | Kris Tech Wire | Admin & Commitment Fee | 53,875.00 |
| 9/30/2023 | EDF Renewables 1 | Admin Fee | 500.00 |
| 9/30/2023 | EDF Renewables 2 | Admin Fee | 500.00 |
| Total as of 10/31/23 | | | 108,373.40 |

3. Fees incurred under marketing are for website development paid to Quadsimia
4. In 2022 \$7,500 was authorized to support Madison Oneida Boces tuition reimbursement, the 2nd invoice from Madison Oneida Boces has been received and paid; total paid is \$7,312.50

Other Significant Items to Note:

1. The IDA received all payments related to the Hartford PILOT for 2022 and payments to the jurisdictions were made in accordance with the PILOT agreement; 2 payments of the 3 have been received by Indium for the last year of the Hartford PILOT; the Agency will distribute the funds once all are billed by the jurisdictions and received by the Agency
2. A meeting has been scheduled with Rome City School District to discuss outstanding PILOT bills for the GLDC buildings and Sovena

**Oneida County Industrial Development Agency
Balance Sheet
October 31, 2023 and 2022**

| | Current Year | Prior Year |
|---|--------------|------------------------|
| Assets | | |
| Current Assets | | |
| Cash and Cash Equivalents | 861,621 | 823,826 ¹ |
| Restricted Cash - PILOT Holdings | 391,932 | 318,892 ² |
| PILOT Holdings- Payment Received | (391,932) | (318,892) ² |
| Accounts Receivable | 0 | 500 |
| Prepaid Expenses | 4,379 | 1,494 |
| Total Current Assets | 866,000 | 825,819 |
| Fixed Assets | | |
| Furniture/Fixture/Eqpt | 6,679 | 6,679 |
| A/D-Furniture/Fixt/Eqpt | (6,679) | (6,679) |
| Total Fixed Assets | 0 | 0 |
| Total Assets | 866,000 | 825,819 |
| Liabilities & Net Assets | | |
| Liabilities | | |
| Current Liabilities | | |
| Accounts Payable | 56,806 | 2,583 ³ |
| Accrued Expenses | 6,370 | 5,833 |
| Deferred Revenue | 6,000 | 9,000 ⁴ |
| Total Current Liabilities | 69,177 | 17,416 |
| Total Liabilities | 69,177 | 17,416 |
| Net Assets | | |
| Fund Balance | 396,823 | 408,403 ⁵ |
| Fund Balance-Board Restricted | 400,000 | 400,000 |
| Total Net Assets | 796,823 | 808,403 |
| Total Liabilities & Net Assets | 866,000 | 825,819 |

Oneida County Industrial Development Agency
 Budget Comparison Report
 Current Period: 10/1/2023 - 10/31/2023
 Budget Period: 1/1/2023 - 10/31/2023
 With Comparative Periods Ending 10/31/2022 and 10/31/2021

| | Current Period Actual | Current Period Budget | Year-to-Date Actual | Year-to-Date Budget | 10/31/2022 | 10/31/2021 |
|--|--------------------------|--------------------------|------------------------|------------------------|----------------|----------------|
| Revenue | | | | | | |
| Reimbursements | 0 | 0 | 216 | 0 | 0 | 0 |
| Interest Income & Miscellaneous | 4,722 | 92 | 20,257 ¹ | 917 | 1,187 | 420 |
| Lease Payments | 750 | 4,563 | 57,000 | 45,625 | 51,000 | 46,750 |
| PILOT Application / Admin Fees | 0 | 23,333 | 108,373 ² | 233,333 | 198,283 | 219,220 |
| PILOT Clawback MSP | 0 | 0 | 0 | 0 | 0 | 65,000 |
| Total Revenue | <u>5,472</u> | <u>27,988</u> | <u>185,846</u> | <u>279,875</u> | <u>250,470</u> | <u>331,390</u> |
| Expenses | | | | | | |
| Business Expense | 20 | 83 | 1,115 | 433 | 234 | 70 |
| Contracted Service-Accounting | 625 | 625 | 6,250 | 6,250 | 5,833 | 5,833 |
| Contracted Services - Legal | 850 | 850 | 8,500 | 8,500 | 8,450 | 8,000 |
| Legal Services & PILOT Clawback MSP | 0 | 0 | 0 | 0 | 0 | 10,653 |
| Contracted Services- Other | 3,487 | 417 | 5,010 | 4,167 | 3,269 | 58,131 |
| Marketing- Contracted Services | 0 | 83 | 6,330 ³ | 833 | 915 | 45 |
| Dues & Subscriptions | 0 | 167 | 1,250 | 1,667 | 1,250 | 1,385 |
| Insurance - General | 371 | 333 | 3,270 | 3,333 | 3,327 | 3,180 |
| Special ED Projects Contingency | 10,417 | 10,417 | 104,167 | 104,167 | 83,333 | 83,333 |
| Tuition Agreement | 0 | 0 | 3,750 ⁴ | 0 | 0 | 0 |
| Office Supplies & Expense | 120 | 0 | 400 | 400 | 550 | 690 |
| Seminars & Conferences | 2,625 | 250 | 2,625 | 2,500 | 3,679 | 1,300 |
| Service Fees | 14,700 | 14,700 | 147,000 | 147,000 | 140,000 | 133,333 |
| Total Expenses | <u>33,215</u> | <u>27,925</u> | <u>289,666</u> | <u>279,250</u> | <u>250,840</u> | <u>305,953</u> |
| Excess or (Deficiency) of Revenue Over Expenses | <u>(27,743)</u> | <u>62</u> | <u>(103,820)</u> | <u>625</u> | <u>(370)</u> | <u>25,437</u> |

**Oneida County Industrial Development Agency
Statement of Cash Flows
For the Period Ending October 31, 2023**

| | |
|---|--------------------------|
| Cash Flows From (Used by) Operating Activities | |
| Increase (Decrease) in Net Assets | \$ (11,580) |
| Adjustments for Noncash Transactions | |
| Depreciation and Amortization | 0 |
| (Increase) Decrease in Assets | |
| Accounts Receivable | 500 |
| Accounts Receivable-PILOTs billed | 0 |
| Prepaid Expenses | (2,886) |
| Increase (Decrease) in Liabilities | |
| Accounts Payable and Accrued Liabilities | 54,760 |
| Deferred Revenue | (3,000) |
| PILOT Funds Due | 0 |
| Net Cash Flows From Operating Activities | <u>37,795</u> |
| Cash Flows From (Used By) Investing Activities | |
| Capital Expenditures | <u>0</u> |
| Net Cash From (Used by) Investing Activities | 0 |
| Cash Flows From (Used By) Financing Activities | |
| Repayments of Long Term Debt | 0 |
| Proceeds from Long Term Debt | <u>0</u> |
| Net Cash Flows (Used by) Financing Activities | 0 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 37,795 |
| Cash and Cash Equivalents, Beginning of Period | 823,826 |
| Cash and Cash Equivalents, End of Period | <u><u>\$ 861,621</u></u> |

**Resolution Consenting to Sublease
ICA Holdings III, LLC
(Indium Woods Park Drive) Facility**

Date: December 8, 2023

At a meeting of the Oneida County Industrial Development Agency (the "Agency") held at 584 Phoenix Drive, Rome, New York 13441 on December 8, 2023, the following members of the Agency were:

Members Present:

Members Present – WebEx:

EDGE Staff Present:

EDGE Staff Present – WebEx:

Other Attendees:

Other Attendees – WebEx:

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to consenting to the sublease of commercial space at the ICA Holdings III, LLC (Indium Woods Park Drive) Facility.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Voting Nay

RESOLUTION CONSENTING TO THE SUBLEASE OF COMMERCIAL SPACE WITH RESPECT TO THE ICA HOLDINGS III, LLC (INDIUM WOODS PARK DRIVE) FACILITY LOCATED IN THE TOWN OF NEW HARTFORD, ONEIDA COUNTY.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended and Chapter 372 of the Laws of 1970 of the State of New York (collectively, the "Act"), the Agency was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, the Company previously requested the Agency's assistance in connection with acquisition and renovation of a three-story, 124,000± square foot office building and other site development work (the "Improvements") situated on a 13.5± acre parcel of land located at 301 Woods Park Drive, Town of New Hartford, Oneida County, New York (the "Land") and acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), all for the purpose of providing a corporate headquarters to support, expand and better utilize the current manufacturing facilities operated by the Indium Sublessee in Oneida County (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the acquisition, renovation and equipping of the Facility is referred to as the "Project"); and

WHEREAS, the Agency leases the Facility to the Company pursuant to a First Amended and Restated Leaseback Agreement dated as of November 15, 2022 (the "Leaseback"); and

WHEREAS, under the terms of the Leaseback the Agency must consent to the sublease of any portion of the Facility; and

WHEREAS, the Company has submitted to the Agency a request to consent to sublease approximately 21,643 square feet of the Facility to a commercial subtenant (the "Sublease Consent"), which request identifies the commercial subtenant to the Agency on a confidential basis.

NOW, THEREFORE, BE IT RESOLVED by the Oneida County Industrial Development Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency hereby finds and determines:

(a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(b) The Facility constitutes a "project", as such term is defined in the Act; and

(c) The Sublease Consent will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Oneida County and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(d) The Sublease Consent is reasonably necessary to induce the Company to maintain and expand its business operations in the State of New York; and

(e) It is desirable and in the public interest for the Agency to approve the Sublease Consent.

Section 2. In consequence of the foregoing, the Agency hereby determines to grant the Sublease Consent, subject to the satisfaction of the conditions to sublease contained in the Leaseback Agreement and review by counsel of the form of the sublease agreement to confirm inclusion of the Agency's standard sublease provisions.

Section 3. The Agency is hereby authorized to do all things necessary or appropriate for the accomplishment of the Sublease Consent, and all acts heretofore taken by the Agency with respect to such Sublease Consent are hereby approved, ratified and confirmed.

Section 4.

(a) The Chairman, Vice Chairman, Executive Director, Secretary or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver such documents as may be, in the judgment of the Chairman and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution. The execution thereof by the Chairman, Vice Chairman, Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Vice Chairman, Executive Director, Secretary or member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Leaseback Agreement).

Section 5. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the Sublease Consent, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Sublease Consent binding upon the Agency.

Section 6. This resolution shall take effect immediately.

STATE OF NEW YORK)
) ss.:
COUNTY OF ONEIDA)

I, the undersigned Secretary of the Oneida County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Agency, including the resolutions contained therein, held on December 8, 2023 with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

IN WITNESS WHEREOF, I have hereunto set my hand as of December 8, 2023.

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Shawna M. Papale, Secretary

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Saunders Kahler LLP
ATTORNEYS AT LAW

Joseph F. Saunders
Camille Tauroney Kahler *
Merritt S. Loeke
Michael D. Callan
William D. Wallace II †
Elizabeth J. Gaffney
* also admitted in Florida
† also admitted in Pennsylvania,
Texas and West Virginia

Samuel D. Hester, *of counsel*
Gregory A. Hamlin, *of counsel*

November 15, 2023

Via Email spapale@mvedge.org
Oneida County Industrial Development Agency
584 Phoenix Drive
Rome, New York 13441
Attn: Shawna Papale, Secretary/Executive Director

Re: SQ1 Holdings, LLC (“SQ1” or the “Company”)

Dear Shawna:

SQ1 previously requested that the Oneida County Industrial Development Agency (the “Agency”) provide certain financial assistance, consisting of exemptions from sales tax and the reduction of real property taxes in connection with the certain acquisition and renovation of its facility at 170 Base Road, Whitestown, New York (the “2017 Facility”) and the construction of an addition to its facility and the acquisition and installation of furniture and equipment (the “2021 Facility”) (the 2017 Facility and the 2021 Facility hereinafter called the “Facility”).

The Facility is leased by the Company to the Agency and is leased back by the Agency to SQ1 pursuant to the terms of a 2017 Leaseback Agreement as amended by a First Amendment to Leaseback Agreement (collectively the “Leaseback Agreement”).

SQ1 entered into that certain PILOT Agreement in connection with the 2017 Facility as amended by First Amended and restated Payment-in-lieu-of-Tax Agreement in connection with the 2021 Facility and that certain First Amended and Restated Job Creation and Recapture Agreement, all dated as of September 1, 2021 (the “Recapture Agreement”).

The Facility was subleased by SQ1 to Square One Coating Systems LLC (the “Tenant”) pursuant to the terms of an Amended and Restated Lease Agreement dated September 1, 2021.

The purpose of this letter is to notify the Agency that Lloyd Ploof, as the sole owner of Tenant, intends to transfer one hundred (100%) percent of the membership interests in the Tenant to Crescent Aerospace Technology, LLC (“Crescent” or “New Member”). As part of the transaction, SQ1 (as landlord) and Tenant will enter into a further revised lease agreement.

Pursuant to the terms of the Sublease (which is to be amended and restated), the Company shall require that Crescent undertake to meet the employment and reporting obligations (as defined in the Recapture Agreement).

The Company is requesting that the Agency consent to the change in control from the original member to the New Member.

We would appreciate it if the Agency would consider this request at its meeting of December 8th as the sale is anticipated to occur shortly thereafter.

Kindly let me know if any additional information is needed.

Best regards,

SAUNDERS KAHLER, L.L.P.

Camille T. Kahler

CTK:br

Cc: Linda Romano *via email*

Laura Ruberto *via email*



APPLICATION FOR FINANCIAL ASSISTANCE

Oneida County Industrial Development Agency

584 Phoenix Drive

Rome, New York 13441-1405

(315) 338-0393 telephone

(315) 338-5694 fax

Shawna M. Papale, Executive Director

spapale@mvedge.org

Please submit the signed and notarized completed application (Pages 1-25 ONLY), which must include any applicable addendum or supplemental information requested in the application, along with payment of a non-refundable \$500 Application Fee (\$5,000 for Solar applications) and a \$1,000 Commitment Fee (will be applied to final closing costs) to the Oneida County Industrial Development Agency, 584 Phoenix Drive, Rome NY 13441-1405, within 14 days prior to the OCIDA Board of Directors meeting at which you want the Application to be included on the Agenda. Wire transfer and ACH payments are acceptable but all related fees incurred by the Agency are payable by the Applicant. An electronic version of the application must accompany the original application via physical media or e-mail.

Project Name

Date of Submission

Important Notes to Applicant:

Upon the submission of this application to the OCIDA, the application becomes a public document. Be advised that any action brought before the Agency is public information. All agendas for the OCIDA are issued publicly prior to the full agency meeting. Upon the submission of this application to the OCIDA, the application becomes a public document and OCIDA is required by law to post on its website and make available to the public this Application and supporting materials. If when completing this Application, you deem any information to be specifically exempted from disclosure under Article Six of the Public Officers Law, please answer the question "This information is deemed to be exempt from disclosure under Article Six of the Public Officers Law and is submitted on the attached confidential addendum." It is acceptable to submit any confidential addendum electronically as a .pdf file separate from the application, but any confidential addendum must still be submitted with the hard copy of the full application (see Page 1). Please answer any such questions on a separate Addendum titled, "Confidential and Protected by Article Six of the Public Officers Law." If OCIDA is challenged to produce any information the Applicant identifies as protected, the Applicant will be required at its sole cost to defend such assertion on behalf of OCIDA.

The information requested by this application is necessary to determine the eligibility of your project for OCIDA benefits. Please answer all questions and respond "Not Applicable", "NA", or "none" where appropriate. If you're response is an estimate, please indicate so. Attach additional sheets if more space is needed for a response. **All applications must include a completed and signed NYS SEQR form and Cost Benefit Analysis form (please consult with OCIDA) before the application is considered complete.**

By signing and submitting this Application, the Applicant acknowledges that it received a copy of the Uniform Tax Exemption Policy and the Oneida County IDA Penalty for Failure to Meet Employment Levels as adopted by the Agency and Agency Memorandums pertaining to the benefits of projects financed through the Agency.

A project financed through the Agency involves the preparation and execution of significant legal documents. Please consult with an attorney before signing any documents in connection with the proposed project. You will receive an engagement letter from the OCIDA legal counsel. You will be asked to sign the engagement letter acknowledging you will be responsible for all legal fees of OCIDA legal counsel and that you understand the process. Should you not close and legal services have been rendered by the OCIDA legal counsel, Applicant will be responsible for those costs.

If your project requires a public hearing, a representative of the applicant is required to be present. A date will be coordinated by the OCIDA legal counsel.

If you have any questions how to calculate the OCIDA's application fee please refer to the enclosed Memorandum to Companies -Sale Leaseback Transactions or contact the OCIDA.

Part I: Applicant Information

Note: In responding to the following questions, please keep in mind that the Applicant will be party to all of the documents and is the individual or if entity will be formed which will receive the actual financial assistance from the Agency.

Applicant

1(a) Applicant's Legal Name: Crescent Aerospace Technology LLC

1(b) Principal Address: 54 Friends Lane, Suite 125

Newtown, PA 18940

1(c) Telephone/Facsimile Numbers: 215-283-8401

1(d) Email Address: dbovenizer@lionheartindustrial.com

1(e) Federal Identification Number: 26-0367055

1(f) Contact Person: David S. Bovenizer, CEO

1(g) Is the Applicant a Corporation: If Yes, Public Private If public, on which exchange is it listed?

- Subchapter S
- Sole Proprietorship
- General Partnership
- Limited Partnership
- Limited Liability Corporation/Partnership
- Single-Member LLC (name and EIN below):

Name: _____
EIN #: _____

- DISC
- Other(specify) _____

1(h) State of Organization (if applicable) Delaware

Applicant's Stockholders, Members, Directors and Officers, Partners.

2(a) Provide the following information with respect to any person with 15% or more in equity holdings in any entity in ownership chain of the project. Add additional sheets if necessary.

| <u>Name</u> | <u>Address</u> | <u>Percentage of Ownership</u> |
|--------------------|-----------------------------------|--------------------------------|
| David S. Bovenizer | 18 Holme Court, Newtown, PA 18940 | 34.0% |

2(b) Is the Applicant, or any of the individuals listed in 2(a) above, related directly or indirectly to any other entity by more than 50% common ownership? If Yes, indicate name of such entity and the relationship. Yes No

2(c) Is the Applicant affiliated with any other entity, directly or indirectly, other than as listed in the response to 2(a) above? If Yes, please indicate name and relationship of such other entity and the address thereof: Yes No

Lionheart Industrial Group LLC owns 100% of Crescent Aerospace Technology LLC
David S. Bovenizer owns 34% of Crescent Aerospace Technology LLC through ownership of Lionheart Industrial Group LLC

Applicant's Counsel and Accountant

3(a) Applicant's Attorney

Name/Title: Nick Hoffman
Firm: Bond Schoeneck & King
Address: Avant Building, 200 Delaware Avenue, Buffalo, NY 14202-2107

Telephone/Fax: 716-416-7145
Email: nhoffman@bsk.com

3(b) Applicant's Accountant

Name/Title: we have not engaged accounting firm on this change of control request
Firm:
Address:

Telephone/Fax:
Email:

Business Description

4(a) Describe the nature of your business and principal products and/or services. Attach additional sheets if necessary.

Crescent Aerospace Technology LLC is a growing aerospace and defense metals fabrication and machining business.

Part II: Project Information

5(a) Explain your project in detail. This description should include explanation of all activities which will occur due to this project. Attach additional sheets if necessary.

The acquisition of Square One Coating Systems LLC by Crescent Aerospace Technology LLC. All manufacturing operations currently in place at Square One Coating Systems LLC will continue post closing and are likely to be expanded.

Reasons for Project

6(a) Please explain in detail why you want to undertake this project.

Crescent Aerospace Technology LLC is a growing aerospace and defense products manufacturing company and adding coatings technology to our process technology mix, vertically integrating our supply chain, will bring economies and lead time improvement.

6(b) Why are you requesting the involvement of the Agency in your project?

Existing PILOT agreement requires formal consent to the Change of Control

REPRESENTATIONS AND CERTIFICATION BY APPLICANT

The undersigned requests that this Application be submitted for review to the Oneida County Industrial Development Agency (the "Agency") and its Board of Directors.

Approval of the Application can be granted solely by this Agency's Board of Directors. The undersigned acknowledges that Applicant shall be responsible for all costs incurred by the Agency and its counsel in connection with the attendant negotiations whether or not the transaction is carried to a successful conclusion.

The Applicant further understands and agrees with the Agency as follows:

1. **Annual Sales Tax Filings.** In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant.
2. **Annual Employment, Tax Exemption & Bond Status Reports.** The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site as well as tax exemption benefits received with the action of the Agency. For Applicants not responding to the Agency's request for reports by the stated due date, a \$500 late fee will be charged to the Applicant for each 30-day period the report is late beyond the due date, up until the time the report is submitted. Failure to provide such reports as provided in the transaction documents will be an Event of Default under the Lease (or Leaseback) Agreement between the Agency and Applicant. In addition, a Notice of Failure to provide the Agency with an Annual Employment, Tax Exemption & Bond Status Report may be reported to Agency board members, said report being an agenda item subject to the Open Meetings Law.
3. **Absence of Conflict of Interest.** The Applicant has consulted the Agency website of the list of the Agency members, officers and employees of the Agency. No member, officer, or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as herein after described (if none, state "none"):
4. **Hold Harmless.** Applicant hereby releases the Agency and its members, officers, servants, agents and employees from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to reach final

agreement with respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

5. The Applicant acknowledges that the Agency has disclosed that the actions and activities of the Agency are subject to the Public Authorities Accountability Act signed into law January 13, 2006 as Chapter 766 of the 2005 Laws of the State of New York.
6. The Applicant acknowledges that the Agency is subject to New York State's Freedom of Information Law (FOIL). **Applicant understands that all Project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.**
7. The Applicant acknowledges that it has been provided with a copy of the Agency's recapture policy (the "Recapture Policy"). The Applicant covenants and agrees that it fully understands that the Recapture Policy is applicable to the Project that is the subject of this Application, and that the Agency will implement the Recapture Policy if and when it is so required to do so. The Applicant further covenants and agrees that its Project is potentially subject to termination of Agency financial assistance and/or recapture of Agency financial assistance so provided and/or previously granted.
8. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:

§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

9. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.
10. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.
11. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.
12. The Applicant and the individual executing this Application on behalf of the Applicant acknowledge that the Agency will rely on the representations made herein when acting on this Application and hereby represent that the statements made herein do not contain any untrue statement of a material

fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

STATE OF NEW YORK (PA)
COUNTY OF ONEIDA Bucks) ss.:

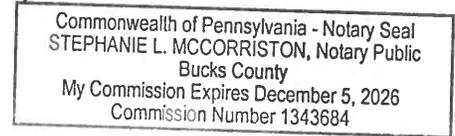
David Buentor, being first duly sworn, deposes and says:

1. That I am the CEO (Corporate Office) of CRE SLEWT AND SPICE TRADING (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.

[Signature]
(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury this 17 day of November, 2023

[Signature]
(Notary Public)



If the application has been completed by or in part by other than the person signing this application for the applicant please indicate who and in what capacity:

By: [Signature]

Name: _____

Title: _____

Date: _____

Please submit the signed and notarized completed application along with payment of a non-refundable **\$500 Application Fee** and a **\$1,000 Commitment Fee** (will be applied to final closing costs) to the **Oneida County Industrial Development Agency**, 584 Phoenix Drive, Rome NY 13441-1405, **within 14 days prior to the OCIDA Board of Directors meeting at which you want the Application to be included on the Agenda**. Wire transfer and ACH payments are acceptable but all related fees incurred by the Agency are payable by the Applicant. It is advised that an electronic version of the application accompany the original application via hard copy or e-mail. An electronic version of the application must accompany the original application via physical media or e-mail.

**Resolution Consenting to Sublease
ICA Holdings III, LLC
(Indium Woods Park Drive) Facility**

Date: December 8, 2023

At a meeting of the Oneida County Industrial Development Agency (the "Agency") held at 584 Phoenix Drive, Rome, New York 13441 on December 8, 2023, the following members of the Agency were:

Members Present:

Members Present – WebEx:

EDGE Staff Present:

EDGE Staff Present – WebEx:

Other Attendees:

Other Attendees – WebEx:

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to consenting to the sublease of commercial space at the ICA Holdings III, LLC (Indium Woods Park Drive) Facility.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Voting Nay

RESOLUTION CONSENTING TO THE SUBLEASE OF COMMERCIAL SPACE WITH
RESPECT TO THE ICA HOLDINGS III, LLC (INDIUM WOODS PARK DRIVE)
FACILITY LOCATED IN THE TOWN OF NEW HARTFORD, ONEIDA COUNTY.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended and Chapter 372 of the Laws of 1970 of the State of New York (collectively, the "Act"), the Agency was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, the Company previously requested the Agency's assistance in connection with acquisition and renovation of a three-story, 124,000± square foot office building and other site development work (the "Improvements") situated on a 13.5± acre parcel of land located at 301 Woods Park Drive, Town of New Hartford, Oneida County, New York (the "Land") and acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), all for the purpose of providing a corporate headquarters to support, expand and better utilize the current manufacturing facilities operated by the Indium Sublessee in Oneida County (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the acquisition, renovation and equipping of the Facility is referred to as the "Project"); and

WHEREAS, the Agency leases the Facility to the Company pursuant to a First Amended and Restated Leaseback Agreement dated as of November 15, 2022 (the "Leaseback"); and

WHEREAS, under the terms of the Leaseback the Agency must consent to the sublease of any portion of the Facility; and

WHEREAS, the Company has submitted to the Agency a request to consent to sublease approximately 21,643 square feet of the Facility to a commercial subtenant (the "Sublease Consent"), which request identifies the commercial subtenant to the Agency on a confidential basis.

NOW, THEREFORE, BE IT RESOLVED by the Oneida County Industrial Development Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency hereby finds and determines:

(a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(b) The Facility constitutes a "project", as such term is defined in the Act; and

(c) The Sublease Consent will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Oneida County and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(d) The Sublease Consent is reasonably necessary to induce the Company to maintain and expand its business operations in the State of New York; and

(e) It is desirable and in the public interest for the Agency to approve the Sublease Consent.

Section 2. In consequence of the foregoing, the Agency hereby determines to grant the Sublease Consent, subject to the satisfaction of the conditions to sublease contained in the Leaseback Agreement and review by counsel of the form of the sublease agreement to confirm inclusion of the Agency's standard sublease provisions.

Section 3. The Agency is hereby authorized to do all things necessary or appropriate for the accomplishment of the Sublease Consent, and all acts heretofore taken by the Agency with respect to such Sublease Consent are hereby approved, ratified and confirmed.

Section 4.

(a) The Chairman, Vice Chairman, Executive Director, Secretary or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver such documents as may be, in the judgment of the Chairman and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution. The execution thereof by the Chairman, Vice Chairman, Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Vice Chairman, Executive Director, Secretary or member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Leaseback Agreement).

Section 5. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the Sublease Consent, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Sublease Consent binding upon the Agency.

Section 6. This resolution shall take effect immediately.

STATE OF NEW YORK)
) ss.:
COUNTY OF ONEIDA)

I, the undersigned Secretary of the Oneida County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Agency, including the resolutions contained therein, held on December 8, 2023 with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

IN WITNESS WHEREOF, I have hereunto set my hand as of December 8, 2023.

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Shawna M. Papale, Secretary

DRAFT

Anthony J. Picente Jr.
County Executive

Shawna M. Papale
Secretary/Executive Director

Timothy Fitzgerald
Assistant Secretary

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY



584 Phoenix Drive,
Rome, New York 13441-4105
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info@mvedge.org www.mvedge.org

David C. Grow
Chairman

Michael Fitzgerald
Vice Chairperson

Mary Faith Messenger
Treasurer

Ferris Betrus, Jr.
Kirk Hinman
Eugene Quadraro
Stephen Zogby

TO: OCIDA Board of Directors

FROM: Staff

DATE: December 1, 2023

RE: ECR International OCIDA Benefit History & Shortfall Remedy Payment Reduction Request

ECR is requesting that the Shortfall Remedy be reduced from \$154,329.51 to \$37,039.08. An analysis of the financial benefits claimed by ECR under the 2020 project (and for historical reference, the 2009 project benefits) are provided below. Their request letter and provided backup materials are attached. Also included are written communications between the Agency and ECR as well as the Job Creation and Recapture Agreement.

2020 ECR Project Benefits

| | | | | | | Retain | Min Std. | Shortfall |
|-------|---------------|-----------------|---------------------|---------------|---------------|--------|----------|-----------|
| | | | | | | 152 | 0.8 | |
| Year | NYS Sales Tax | Local Sales Tax | Total PILOT Benefit | Total Benefit | Jobs Reported | | 121.6 | |
| 2020* | | | \$ 18,439.68 | \$ 18,439.68 | 121 | | | 0.6 |
| 2021 | \$ 2,156.44 | \$ 2,560.77 | \$ 45,123.21 | \$ 49,840.42 | 162 | | | 0 |
| 2022 | | | \$ 43,398.84 | \$ 43,398.84 | 113 | | | 39 |
| 2023 | | | \$ 42,650.57 | \$ 42,650.57 | 80 | | | 72 |
| Total | | | \$ 149,612.30 | \$ 154,329.51 | | | | |

* 2020 Was transitional year. Paid full County and City taxes. Only School District was covered under the new PILOT.

2009 Project - Create 17, Retain

135

| Yr | Sales Tax Benefit | PILOT Benefit | Jobs Report | Yr | PILOT Benefit | Jobs Report |
|------|-------------------|---------------|-------------|-------|---------------|-------------|
| 2009 | \$50,553 | 0 | 150 | 2015 | \$43,573 | 156 |
| 2010 | \$52,972 | \$66,186 | 164 | 2016 | \$44,101 | 138 |
| 2011 | | \$77,490 | 170 | 2017 | \$43,840 | 141 |
| 2012 | | \$82,034 | 178 | 2018 | \$46,183 | 149 |
| 2013 | | \$84,329 | 168 | 2019 | \$46,189 | 142 |
| 2014 | | \$87,826 | 168 | Total | \$621,750 | |



November 8, 2023

Oneida County Industrial
Development Agency
Shawna Papale, Executive Director
584 Phoenix Drive
Rome, NY 13441

Re: ECR Properties, Inc. (the “Company”) Straight Lease Transaction
with the Oneida County Industrial Development Agency (the “Agency”)

Dear Shawana:

We are in receipt of your October 30, 2023 letter. We are disappointed that the Agency has opted to proceed in the direction of demanding a recapture of benefits. However, we would like to point out one inaccuracy in the letter (which may have stemmed from a misinterpretation of our statement at the October 20, 2023 meeting). Of the 75 FTE “shortfall”, only a portion (37) were shifted to our Dunkirk facility. The balance of the positions (38) were eliminated due to fundamental changes in our industry. Specifically, widespread “decarbonization” efforts have radically altered the market for cast iron boilers. Attached are several articles along with a letter from NEFI to Congressman Nick Langworthy describing this shift. The Company has become a victim of these changes.

Because only 24% of the required employment (i.e., 37 of 155) was shifted away from Oneida County, we would request that only 24% of the benefits be recaptured by the Agency.

We look forward to resolving this issue with you.

Very truly yours,

ECR PROPERTIES, INC.

Deborah Dam
Executive Director of Administration

cc: Milan K. Tyler, Esq.
Mark D. Levitt, Esq.
Mark Kaucher, MV Edge

.....
(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R.

To prohibit States or local governments from prohibiting the connection, reconnection, modification, installation, or expansion of an energy service based on the type or source of energy to be delivered, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. LANGWORTHY introduced the following bill; which was referred to the Committee on _____

A BILL

To prohibit States or local governments from prohibiting the connection, reconnection, modification, installation, or expansion of an energy service based on the type or source of energy to be delivered, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. LIMITATIONS ON REGULATION OF ENERGY**

4 **CHOICE.**

5 (a) IN GENERAL.—No State or local government, or
6 instrumentality or regulatory agency thereof, may adopt a

1 law, ordinance, building code, or efficiency standard that
2 prohibits, or has the effect of prohibiting, the connection,
3 reconnection, modification, installation, or expansion of an
4 energy service based on the type or source of energy to
5 be delivered to an end-user of such energy service.

6 (b) DEFINITION.—In this section, the term “energy”
7 includes—

- 8 (1) natural gas;
- 9 (2) renewable gas;
- 10 (3) hydrogen;
- 11 (4) liquified petroleum gas;
- 12 (5) renewable liquified petroleum gas;
- 13 (6) other liquid petroleum products;
- 14 (7) biomass-based diesel fuels;
- 15 (8) other liquid petroleum products and renew-
16 able fuels; and
- 17 (9) electricity.



October 19, 2023

The Honorable Nick Langworthy
U.S. House of Representatives
1630 Longworth House Office Building
Washington, D.C. 20515

Via Electronic Mail

Dear Representative Langworthy:

The National Energy & Fuels Institute (NEFI) and New York State Energy Coalition (NYSEC) write in support of the Energy Choice Act.

NEFI is a national trade association that represents wholesale and retail distributors of safe and reliable liquid heating fuels. NYSEC represents these businesses in New York, where they deliver 70-percent of liquid heating fuel volumes consumed annually in the state. In addition to fuel delivery, many of our members are full-service home comfort providers that sell, install, and maintain residential heating, ventilation, and air conditioning (HVAC) systems. Most are small, multi-generational family businesses that are actively involved in their local communities and care deeply for the wellbeing of their customers. In total, our industry serves 5.5 million American homes, including 1.4 million homes in the state of New York.¹

Across the nation, state and local governments are actively considering energy and climate policies that unduly restrict consumer choice, including in the heating sector. Last month, 25 state governors pledged to enact a series of policies they say will reduce building emissions, including heating fuel and consumer appliance bans and “one size fits all” electrification mandates.² These policies will place significant financial burdens on working families, increase utility rates, and cause widespread blackouts during the coldest days of the winter. They ignore more immediate, efficient, and cost-effective solutions, such as renewable liquid heating fuels.

Renewable liquid heating fuels are a “plug and play” solution that empowers our members and their consumers to help reduce greenhouse gas emissions and regional dependence on foreign energy sources *without the need for costly conversions or massive new infrastructure investments*. With support from NYSEC and its members, New York was among the first states in the nation to enact a law that now requires every heating oil gallon sold in the state to contain at least 5-percent biofuel. This percentage will increase over time, to 10-percent by 2025 and 20-percent by 2030. NYSEC is pursuing state legislation to increase that requirement to 50-percent.

¹ U.S. Census Bureau, *2021 American Community Survey*, primary heating fuel by occupied housing units. The five year average was used to minimize margin of error.

² <https://usclimatealliance.org/press-releases/decarbonizing-americas-buildings-sep-2023>

However, by joining last month's pledge, Governor Hochel has promised to pursue policies that undermine these goals and potentially increase emissions, harm small business energy marketers, and restrict consumer choice. Her plans include zero-emissions appliance standards, electric-only building codes, and a "clean heat standard" that, if modeled after one being considered in Massachusetts, would impose considerable costs on New York homes and businesses.

The Energy Choice Act is common sense policy that allows for market competition and prevents state and local governments from picking "winners and losers." It allows American households to choose the heating solutions best suited to their individual needs, local climates, and importantly, family budgets. The legislation enables renewable liquid heating fuels to compete, build market share, and contribute to emissions reductions in New York and throughout the country. By ensuring access to a diverse mix of energy sources, the Energy Choice Act strengthens U.S. energy security and grid reliability at a precarious time for our nation, given rising inflation and worsening conflicts in Ukraine and the Middle East.

We strongly encourage all members of Congress to support this legislation and urge its immediate consideration.

Thank you again for your leadership on this issue.

Sincerely,



Sean Cota, President & CEO
National Energy & Fuels Institute (NEFI)



Rocco Lacertosa, CEO
New York Energy Coalition (NYSEC)

Millions of US homes are so overheated they open their windows in the winter. Why?

Nineteenth-century technology is finally being phased out in New York City, but its past is deeply entwined with American history



Wilfred Chan

The Guardian, Mon 6 Nov 2023 07.00 EST

Until recently, my girlfriend and I lived in a steam-heated apartment

in Manhattan. A creaky former tenement building, it had no radiators, just scalding-hot cast iron pipes that punched through the units like fire poles. The pipes terminated a few inches from our ceiling with valves that hissed and sputtered, leaking rusty orange water. And they weren't just heaters, but alarms, clanking like pots and pans every morning around 6.45am when the boiler flipped on in the basement.

This 19th-century technology certainly heated our apartment – but far too well. So every wintertime we would have to throw the windows wide open just to cool down. (My girlfriend enjoyed the contrasting sensations, like ice cream on warm pie. “It always felt like a big waste of energy, but it was pleasant in its own old-school [New York](#) way,” she says.)

Indeed, steam still heats as many as 80% of New York City's residential multifamily buildings, according to the non-profit Urban Green Council, as well as millions of homes across the north-east and midwestern United States – what the nonprofit calls the “steam belt”. That means, in a climate emergency as energy prices spiral, tens of millions of Americans are probably opening their windows all winter to let cold air in because their homes are too well heated.

Why on earth is it this way?

Many of America's ageing steam systems are oversized or miscalibrated. According to a 2019 [report by the Urban Green Council](#), 73% of tenants in

steam-heated buildings are chronically overheated. And while 63% reported opening their windows to cool off, the systems are “so unbalanced that other residents in these same buildings don’t receive enough heat”, the report wrote. But policymakers’ greatest concern is pollution: buildings are by far New York City’s largest source of carbon emissions, and 62% of the fuel burned by the city’s residential multifamily buildings goes to heating steam, the report found.



Steam heating has stuck around because it’s simple. Photograph: Ryan Deberardinis/Alamy

That could begin to change in a few weeks, when a new energy efficiency law in New York takes effect, enacting the first step in what will be a gradual phaseout of steam heating. OK, but what took so long?

Steam, I learned, has stuck around because it’s simple. A basement boiler heats water into hot vapor, which naturally rises through the building through pipes, usually to coiled radiators, which release the heat into surrounding air. The cooled vapor turns back into water, and gravity returns it to the boiler. There’s no need for temperature controls in each home because the boiler is pre-sized to deliver just the right amount of steam to each radiator. Keep that cycle steady, and everyone stays toasty.

73% of tenants in steam-heated buildings are chronically overheated

2019 Urban Green Council report

But generations of neglect have disrupted the careful balance of these systems – and now nobody remembers how to fix them. The veteran heating expert Dan Holohan, who worked as a heating parts salesman in the 1970s, remembers how contractors were puzzled by steam equipment even back then. Post-second-world-war buildings had switched to newer methods like

furnaces. Most earlier steam experts were retired or dead, and Holohan assumed the technology would die soon, as well.

Curious, he began digging up old steam heating documentation and “fell in love”, he says. “There was so much American history wrapped up in it.” From the beginning, the designers of steam heating “were making it up as they went along”, he realized.

Once considered a luxury, and infamous for constantly exploding boilers, steam heating enjoyed a massive surge in popularity around the 1918 flu pandemic. In response to a “fresh air movement” to fight the virus’s spread, crowded tenement buildings installed steam systems that generated enough heat that residents could leave their windows open, even in the dead of winter. “This is why the radiators are as big as they are,” Holohan explains. “And they’re pumping out all this heat to this day.”

The 1920s and 1930s were what Holohan calls the “golden age” of steam heating. Having figured out how to prevent boiler explosions, technicians began designing intricate steam systems that were as efficient as they were powerful. They realized steam, virtually weightless, was unparalleled in its ability to distribute heat to the top of skyscrapers, like the 102-floor Empire State Building. That insight holds today: even New York’s One World Trade Center, finished in 2014, is heated by steam.

Steam heating’s problems developed in the 1970s, Holohan says, after the first Opec oil embargo. Faced with energy shortages, the government enacted new regulations requiring more efficient boilers. Many buildings resized their boilers without also replacing their pipes and radiators, throwing the systems badly out of balance. More issues arose when buildings replaced old windows with better-insulated ones that trapped too much heat. Meanwhile, “the old-timers were dying, not being able to teach the young people coming in”, Holohan says. But landlords, concerned with cost, opted to muddle through rather than overhaul their systems, deciding that tenants would just have to put up with the banging, gurgling and wild temperature swings.



A view of the East River Generating Station, which uses oil and natural gas to power its boilers to produce electricity and steam, in New York, 2015. Photograph: Justin Lane/EPA

And, for nearly half a century, we (mostly) have. But we're running out of steam. In 2019, New York passed Local Law 97, a measure to curb greenhouse gases produced by larger buildings in the city. The law takes effect in two months, creating limits that are scheduled to get progressively tougher until 2050, when the city hopes to have achieved complete carbon neutrality. That means steam's days are officially numbered here. "To fully decarbonize New York City, we can't have fossil fuel combustion in buildings," says Adam Schiabor, research manager for the Urban Green Council. "But we're talking about a complicated and old building stock, so it's certainly going to take a few steps."

The long-term goal is to get buildings to switch their steam systems out for electric heat pumps – a modern, energy-efficient heating and cooling system that transfers heat between indoors and outdoors. (I moved to a new building last year that uses heat pumps; the difference in comfort is incredible.) In the meantime, Schiabor says that buildings can make "no-brainer upgrades" to their old steam systems: vents, temperature sensors and valves that would improve performance, while giving residents more control over the temperature indoors – and presumably letting them shut their windows in the wintertime. Still, some landlords are resistant. A group of homeowners recently sued the city over Local Law 97's "onerous" demands, though a judge tossed the suit.

Holohan, now 73, says he agrees with the new regulations. But he believes steam could offer the city the efficiency it's looking for – if people could just learn to use it right. Before he retired, Holohan helped a historic Manhattan building tune up its steam system, which was "gorgeous and original to the 1890s", with "extremely beautiful" radiators. "The system is absolutely quiet. It's very fast. It's extremely efficient. We did that, and it gets no attention."

Anthony J. Picente Jr.
County Executive

Shawna M. Papale
Secretary/Executive Director

Timothy Fitzgerald
Assistant Secretary

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

OCIDA



584 Phoenix Drive,
Rome, New York 13441-4105
(315) 338-0393, fax (315) 338-5694
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October 30, 2023

VIA UPS EXPRESS AND EMAIL

ECR Properties, Inc.
Attn.: Debra Dam, Executive Director of Administration
2201 Dwyer Avenue
Utica NY 13501

Re: Notice of Intent to Recapture Financial Assistance

Ladies and Gentlemen:

Oneida County Industrial Development Agency (the “Agency”) is obligated under General Municipal Law to evaluate whether recipients of its financial assistance are achieving the investment, job retention or creation, or other objectives of the project indicated in the project application and report to New York State that it is taking appropriate action when those objectives are not being met. We previously sent notice to ECR Properties, Inc. (the “Company”) that the Company and/or ECR International, Inc. (the “Sublessee”) was not meeting its Employment Obligation as defined in the Job Creation and Recapture Agreement dated as of June 1, 2020 (the “Recapture Agreement”), and provided the Company the opportunity to address the Agency before a final determination was made with respect to appropriate action.

The Company addressed the members of the Agency at its October 20, 2023 meeting and confirmed that the Company currently employs 80 FTEs at the Facility, which is 75 FTEs short of the Employment Obligation of 155 FTEs. This represents a Shortfall as defined in the Recapture Agreement. The Company further confirmed that the reduction in employment is a result of the Company’s decision to shift jobs to the Company’s facility located in Dunkirk, New York.

Pursuant to Section 5(d) of the Recapture Agreement, “if the Shortfall or Major Shortfall is as a result of the Company and/or the Sublessee shifting employment away from Oneida County, then the Agency will require the value of the Benefit and the Initial Benefit utilized to date to be repaid, with interest (determined as the New York State legal interest rate).” The Agency has determined this to be the appropriate remedy. Enclosed is a spreadsheet detailing the value of financial assistance to be recaptured.

The Agency has also determined to terminate the Leaseback Agreement dated as of June 1, 2020 (the "Leaseback Agreement") and the PILOT Agreement dated as of June 1, 2020 (the "PILOT Agreement"), effective December 8, 2023.

The Agency intends to adopt a resolution authorizing this action at its next regular meeting, scheduled for December 8, 2023. If you wish to comment on this proposed action, please submit a written statement to me not later than November 30, 2023. Should you have any questions, please contact Shawna Papale at 315-338-0393 or spapale@mvedge.org.

Very truly yours,

A handwritten signature in cursive script that reads "Shawna Papale".

Shawna M. Papale
Executive Director

SMP/lsr

c: Mark D. Levitt, Esq.
Milan K. Tyler, Esq.

| ECR 2020 Project Benefit Analysis | | | | | | | | | | | | | | | Retain | Min Std. | Shortfall | | |
|-----------------------------------|---------------|-----------------|---------------|--------------|----------------|---------------|---------------|--------------|---------------|---------------|----------------|---------------|---------------|---------------------|---------------|---------------|-----------|-------|-----|
| Year | NYS Sales Tax | Local Sales Tax | County Exempt | County PILOT | County Benefit | City Exempt | City PILOT | City Benefit | School Exempt | School PILOT | School Benefit | Total Exempt | Total Paid | Total PILOT Benefit | Total Benefit | JOB | 152 | 0.8 | |
| 2020 | | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 57,299.32 | \$ 38,859.64 | \$ 18,439.68 | \$ 57,299.32 | \$ 38,859.64 | \$ 18,439.68 | \$ 18,439.68 | 121 | | 121.6 | 0.6 |
| 2021 | \$ 2,156.44 | \$ 2,560.77 | \$ 25,773.66 | \$ 17,491.96 | \$ 8,281.70 | \$ 56,766.97 | \$ 38,943.35 | \$ 17,823.62 | \$ 57,299.32 | \$ 38,281.43 | \$ 19,017.89 | \$ 139,839.95 | \$ 94,716.74 | \$ 45,123.21 | \$ 49,840.42 | 162 | | | 0 |
| 2022 | | | \$ 26,645.00 | \$ 18,289.69 | \$ 8,355.31 | \$ 57,299.32 | \$ 39,531.75 | \$ 17,767.57 | \$ 56,766.97 | \$ 39,491.01 | \$ 17,275.96 | \$ 140,711.29 | \$ 97,312.45 | \$ 43,398.84 | \$ 43,398.84 | 113 | | | 39 |
| 2023 | | | \$ 28,236.33 | \$ 19,251.21 | \$ 8,985.12 | \$ 56,766.97 | \$ 40,112.34 | \$ 16,654.63 | \$ 56,743.43 | \$ 39,732.61 | \$ 17,010.82 | \$ 141,746.73 | \$ 99,096.16 | \$ 42,650.57 | \$ 42,650.57 | 80 - Oct 2023 | | | 72 |
| Total | | | \$ 80,654.99 | \$ 55,032.86 | \$ 25,622.13 | \$ 170,833.26 | \$ 118,587.44 | \$ 52,245.82 | \$ 228,109.04 | \$ 156,364.69 | \$ 71,744.35 | \$ 479,597.29 | \$ 329,984.99 | \$ 149,612.30 | \$ 154,329.51 | | | | |

Anthony J. Picente Jr.
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info@mvedge.org www.mvedge.org

June 22, 2023

ECR International, Inc.
Attn.: Debra Dam, Executive Director of Administration
2201 Dwyer Avenue
Utica, NY 13501

ECR Properties, Inc.
2201 Dwyer Avenue
Utica NY 13501

Re: Oneida County Industrial Development Agency Annual Project Review

Ladies and Gentlemen:

Oneida County Industrial Development Agency (the "Agency") is obligated under General Municipal Law to evaluate whether recipients of its financial assistance are achieving the investment, job retention or creation, or other objectives of the project indicated in the project application and report to New York State that it is taking appropriate action when those objectives are not being met. On June 16, 2023 the Agency performed its annual project review for the calendar year ending December 31, 2022.

Based upon the information presented in your May 2023 letter, the Agency proposes the appropriate action is to reduce the benefits under the PILOT Agreement proportionate to the number of FTEs that have been achieved, or reduce the PILOT benefits by 26%.

If you wish, you may address the Agency at its next regular meeting scheduled for July 14, 2023 before a final determination is made. Please let me know if you wish to attend.

Should you have any questions, please contact Shawna Papale at 315-338-0393 or spapale@mvedge.org.

Very truly yours,

Shawna Papale
Executive Director

SP/lsr

c: Linda E. Romano, Esq.
David J. Murray, Esq.



June 7, 2023

2201 Dwyer Avenue
Utica, NY 13501
www.ecrinternational.com

Oneida County IDA
Ms. Shawna Papale
584 Phoenix Drive
Rome, NY 13441

RE: ECR Job Shortfall

Dear Shawna,

When preparing the PILOT program in 2020 ECR International was not aware that our parent company BDR Thermea was in transition of selling their shares in ECR International. BDR had decided to put ECR International due to the European market has changed considerably from high efficiency condensing boilers to decarbonization and electrification. New laws and regulations in Europe are moving away from these boilers and moving toward Heat Pumps. BDR is investing in laboratories to design and develop heat pumps. The North American market has not "caught" up with the European market regarding Heat Pumps and decarbonization therefore BDR felt the ownership of ECR International did not meet the corporate goals. In August of 2021 Terravest Industries out of Quebec purchased 100% of ECR International's shares.

At the time of the original PILOT ECR International (Utica Division) employed 149 individuals. As of the December 31st, 2021, reporting there were 162 employees (permanent and temporary). Terravest has a different business strategy and started by reviewing our product offerings and made some decision on which lines we would discontinue to manufacture and support. Our AC line has been discontinued and we will only buy resell AC moving forward. Due to the discontinuance of the AC line in April of 2022 ECR International let go 14 salary positions.

Terravest believes in automation and has invested over \$2,000,000 in the Dunkirk facility with a robotic cell that manufactures our cast iron heat exchangers then feeds the cast iron assembly line making it one continuous operation. As of June 19, 2023, all manufacturing of cast iron boilers has been transitioned to our Dunkirk Facility. The Utica facility still manufacturers our condensing boilers and is warehouse distribution for our finished goods and parts business. A majority of our salary personnel (65%) are located in the Utica facility, as of today the Utica facility is currently employing 75 employees with an additional 19 on layoff status.

Please don't hesitate to contact me if you need anything further.

Sincerely,

A handwritten signature in cursive script that reads "Debbie Dam".

Debbie Dam
Executive Director of Administration
debbie.dam@ecrinternational.com
315-731-4137

Anthony J. Picente Jr.
County Executive

Shawna M. Papale
Secretary/
Executive Director

Jennifer Waters
Assistant Secretary

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May 9, 2023

ECR Properties, Inc./ECR International, Inc.
Debbie Dam
2201 Dwyer Ave.
Utica, NY 13501

Re: Jobs Shortfall

Dear Debbie,

Thank you very much for your recent 2022 Annual Report. When your company entered into its agreement for benefits with the Oneida County Industrial Development Agency (OCIDA) it pledged to create/retain a certain level of employment. Based upon this report, ECR Properties, Inc./ECR International, Inc. is in a shortfall of retaining 152 FTE jobs and creating 3 FTE new jobs as per the terms of its Agreement with the OCIDA.

The OCIDA Board of Directors will be reviewing the status of those companies who are in shortfall status at their June 16th meeting. Before the close of business on Friday, June 9th, please provide me with a letter explaining the circumstances that have contributed to the shortfall so that it can be presented to the Board of Directors for review. Provide any updates to FTE job numbers that may have transpired since submitting the 2022 Annual Report. The board may request that you or a company representative attend one of its upcoming meetings. Please be advised that our meetings are considered Public Meetings and are recorded for posting on our website.

Should you have any questions, please do not hesitate to contact me at 315-338-0393.

Very truly yours,

A handwritten signature in cursive script that reads "Shawna Papale".

Shawna M. Papale
Executive Director

Attachment: Job Retention/Creation and Recapture Agreement



June 11, 2018

Shawna M. Papale, Executive Director
584 Phoenix Drive
Rome, NY 13441-4105

Re: Oneida County IDA Project(s): ECR Properties, Inc. 2201 Dwyer Ave.

Dear Shawna,

This letter is in response to your letter of June 4, 2018.

In 2017, ECR's head count of permanent employees was 141, when our goal was to be at 152. At yearend 2017, we employed 7 temporary workers, in addition the following 5 open salary positions still needed to be filled:

- Software Developer – Open in 2017, still searching
- Graphic Designer – Open in 2017, offer made and accepted this week
- IT Support Tech – Open in 2017, position filled in 2018
- Production Supervisor – Open in 2017, current interviews being scheduled
- Tech Service Rep – Open in 2017, current interviews in process

In addition, the following positions were added for 2018:

- Customer Service Rep
- Technical Procurement Analyst – position filled (to start in July)

In the current job market environment, it is taking much longer to fill positions. Although we know temporary employees aren't counted in your definition of permanent employees, it should be noted this is a yearly event as we ramp up for the busy season. If you include the temporary local workers we hire with the open positions we currently have, we are over the 152-employment goal. This PILOT agreement has been a positive one for both ECR and Oneida County. It allowed us to make the right decision to stay in Utica, and in return we have been able to keep a good number of people employed throughout 2017 and into 2018. We have invested \$10 million during this time in the Utica plant, which included a warehouse expansion, a state of the art laboratory, new offices and new equipment.

Even though the marketplace has remained very competitive, ECR's manufacturing company has held the number three position in market share for standard efficiency products in North America. As the market began to move to high efficiency products, we started (roughly 10 years ago) designing our own high efficiency boilers which worked well but cost too much to be competitive. Sales since 2009

2201 Dwyer Avenue
Utica, NY 13501
www.ecrinternational.com



have decreased as we found it difficult to compete with the new European /Asian competitors. Because of this, we had to decide how to go forward. In December of 2015, we sold the company to BDR Thermea, to bring their strength of technology, purchasing power and support in many other areas to ECR. They bought us because of our long history and market presence. We are now in a **transition period** as we work to gain market share in the high efficiency market. Since the purchase of ECR, we have begun to manufacture products designed by our parent company with more technology and lower costs, and ECR is beginning to be more competitive in the high efficiency market which is now 60% of the total boiler market. While our sales have declined since 2009, sales were held even in 2017 compared to 2016.

We have maintained a good level of employment at the Utica facility despite the decline from 2009. We have a target to increase sales 15% in 2018 from last year, and to date have started 2018 on target with this goal. Our goal remains for the next 4 years to increase sales each year as we **transition** the company from primarily producing a standard efficient product line to one of high efficiency products. That should mean higher employment here in Utica and easily exceeding the current employment goals. It's a balance, and one that is focused on meeting corporate performance targets.

We know the current market place of high efficient boiler competitors (30) is a difficult challenge, but we expect the current strategy and corporate support to be the right one to grow our market share and ECR.

It is also important to know that each company within the BDR Thermea organization is meant to stand on their own. We are heading in the right direction but will need time to increase share and post results that BDR is expecting. Because of this, I would ask the Oneida County IDA to consider an extension of the current PILOT agreement, or a new one to be put in place post its expiration. While we are part of a much larger company, their management style to date (2 plus years) has been one of support but with expectations of results. BDR supports us with our community contributions. For example, as a founding sponsor member of the Boilermaker and as a long-time company contributor to the United Way.

We at ECR have a great appreciation for the support we have received throughout this PILOT agreement from the OCIDA and we will continue to be a big supporter of the community. We look forward to continuing to work hard to meet our growth goals, and to have your support and consideration to extend the current PILOT. Thank you in advance for your consideration.

Sincerely,

ECR INTERNATONAL, INC.

A handwritten signature in black ink, appearing to read "Paul A. Totaro".

Paul A. Totaro
CFO and Vice President

Anthony J. Picente Jr.
County Executive

Shawna M. Papale
Secretary/
Executive Director

Jennifer Waters
Assistant Secretary

ONEIDA COUNTY INDUSTRIAL
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June 4, 2018

Debbie Usyk
ECR International- ECR Properties, Inc.
2201 Dwyer Ave.
Utica, NY 13501

Re: Oneida County IDA Project (s): ECR Properties, Inc. 2201 Dwyer Ave

Dear Debbie,

The benefits granted to ECR Properties, Inc. the ("Company") by the Oneida County Industrial Development Agency (the "Agency") were conditioned upon the Company meeting certain employment obligations as described in the Company's Application For Financial Assistance and the Leaseback Agreement (the "Employment Obligation"). The information that you sent to the Agency indicates that you have 141 employees and have not fulfilled your Employment Obligation of 152 jobs to be created/retained.

Please provide a written response to the Agency with information detailing the reason for the shortfall of the Employment Goal or documentation if your current employment levels have changed, by close of business on **June 13, 2018**. The Agency would like to review this information at its regular scheduled meeting of **June 15, 2018**. Following your written response and the Agencies review, if you wish to come and meet with Agency members at that time please let me know.

Should you have any questions, please do not hesitate to contact me at 338-0393.

Very truly yours,

Shawna M. Papale
Executive Director

JOB CREATION AND RECAPTURE AGREEMENT

THIS JOB CREATION AND RECAPTURE AGREEMENT, dated as of June 1, 2020 is made by and among **ECR PROPERTIES, INC.**, a New York corporation having an address of 2201 Dwyer Avenue, Utica, New York 13501 (the "Company") and **ECR INTERNATIONAL, INC.**, a New York corporation having an address of 2201 Dwyer Avenue, Utica, New York 13501 (the "Sublessee"), and **ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, an industrial development agency and a public benefit corporation of the State of New York having its principal office at 584 Phoenix Drive, Rome, New York 13441 (the "Agency").

WITNESSETH:

WHEREAS, Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York (the "State"); and

WHEREAS, the Act authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial or industrial facilities, including industrial pollution control facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Act further authorizes each such industrial development agency to lease any or all of its facilities at such rentals and on such other terms and conditions as it deems advisable, to issue its bonds for the purpose of carrying out any of its corporate purposes and, as security for the payment of the principal and redemption price of, and interest on, any such bonds so issued and any agreements made in connection therewith, to mortgage any or all of its facilities and to pledge the revenues and receipts from the leasing of its facilities; and

WHEREAS, the Company leases to the Agency a 25± acre parcel of land located at 2201 Dwyer Avenue, City of Utica (the "Land") and a 202,000± square foot building situated on the Land (the "Improvements") pursuant to the terms of a Lease Agreement dated as of July 1, 2009 (the "Lease Agreement"); and

WHEREAS, the Agency leases the Land and Improvements back to the Company pursuant to the terms of a Leaseback Agreement dated as of July 1, 2009 (the "Leaseback Agreement"); and

WHEREAS, the Company further subleases the Land and the Improvements to ECR International, Inc. (the "Sublessee") for its operation pursuant to a sublease agreement dated as of July 1, 2009 (the "Sublease Agreement"); and

WHEREAS, the Sublessee has requested that the Agency undertake a project (the "Project") consisting of the following: (A) acquisition and installation of equipment in the Improvements (the "Equipment") and renovation of the Improvements, all for the purpose of manufacturing heating products for distribution to the residential and light commercial markets (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the renovation and equipping of the Improvements is referred to as the "Project"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including potential exemptions from sales tax and reduction of real property tax (collectively, the "Financial Assistance"); and (C) the extension of the lease to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, in order to provide such Financial Assistance to the Company and the Sublessee under the Act, the Agency requires, among other things, that the Company, the Sublessee and the Agency enter into certain lease/leaseback transactions and other associated agreements, including that certain First Amended and Restated Lease Agreement from the Company to the Agency (the "First Amended and Restated Lease Agreement") dated of even date herewith; the First Amended and Restated Leaseback Agreement from the Agency to the Company (the "First Amended and Restated Leaseback Agreement") dated of even date herewith; the First Amended and Restated Payment-in-Lieu-of-Tax Agreement between the Agency and the Company dated of even date herewith (the "First Amended and Restated PILOT Agreement") and the First Amended and Restated Environmental Compliance and Indemnification Agreement among the Agency, the Company and the Sublessee dated of even date herewith (together with this Agreement, collectively, the "Transaction Documents"), and

WHEREAS, the Agency has appointed the Sublessee and its agents and designees as its agent for the purposes of renovating and equipping the Facility; and

WHEREAS, pursuant to the First Amended and Restated Lease Agreement, the Company has agreed to lease the Facility to the Agency for the Lease Term (defined below); and

WHEREAS, pursuant to the First Amended and Restated Leaseback Agreement, the Agency is leasing the Facility back to the Company for an extended period commencing June 1, 2020 and ending April 30, 2031 (the "Lease Term"); and

WHEREAS, pursuant to a First Amendment to Sublease Agreement dated as of June 1, 2020 (the "First Sublease Amendment"), the Company is extending the sublease of the Facility to the Sublessee for its operation; and

WHEREAS, pursuant to the Sublease Agreement as amended by the First Sublease Amendment, the Sublessee agrees to assume all of the rights and obligations of the Company under the Transaction Documents; and

WHEREAS, the Agency wishes to condition the Financial Assistance upon the Company creating and retaining, or causing the Sublessee to create and retain, certain employment at the Facility.

NOW THEREFORE, for good and valuable consideration and in consideration of the Company entering into the First Amended and Restated Lease Agreement and the First

Amended and Restated Leaseback Agreement, the parties hereby covenant and agree as follows:

1. Definitions.

“Agency” shall mean the Oneida County Industrial Development Agency.

“AER” shall mean the annual compliance report the Company is required to provide to the Agency.

“Benefit” shall mean the amount the Company saved by making payments in lieu of real property taxes in a particular year. For example, if a Company’s PILOT payment is equal to 75% of normal real property taxes, then the Company’s Benefit for that year would be an amount equal to 25% of normal real property taxes.

“Company” shall mean ECR Properties, Inc., and its successors and/or assigns.

“Cure Period” shall mean the period ending June 30th of the year following the Shortfall or Major Shortfall.

“Employment Obligation Term” shall mean the period during which the Company is receiving a benefit in the form of lower payment in lieu of taxes than its real estate taxes would be.

“Employment Obligation” shall mean the obligation of the Company to create (or cause the Sublessee to create) 3 FTEs at the Facility by the end of the third year of the First Amended and Restated Leaseback Agreement and to retain (or cause the Sublessee to retain) the existing 152 FTEs at the Facility and maintain (or cause the Sublessee to maintain) all for the duration of the Lease Term as a result of undertaking the Facility.

“FTE” shall mean a full time employee that has a minimum of thirty-five (35) scheduled hours per week, or any combination of two or more part-time employees that work a minimum of fifteen (15) scheduled hours per week, when combined together, constitute the equivalent of a minimum of thirty-five (35) scheduled hours per week, and whose workplace location is the project facility. For this purpose an employee shall include a leased employee regularly retained by the Company, the Sublessee, or their respective agents.

“Initial Benefit” means the amount of savings the Company or the Sublessee received through the Agency, in the form of exemptions from sales tax.

| | |
|-----------------------|--|
| “Major Shortfall” | means any number of FTEs that is less than 50% of the Employment Obligation. |
| “Minimum Standard” | shall mean an AER that shows the Company and/or the Sublessee is short of meeting its Employment Obligation by 20%. |
| “Per Employee Amount” | shall mean an amount equal to the Benefit for the year after the year of the Shortfall divided by the Employment Obligation. |
| “Shortfall” | shall mean the difference between the Employment Obligation and the actual number of FTEs per the AER for the applicable year. |
| “Sublessee” | shall mean ECR International, Inc., and its successors and assigns. |

2. Representations and Covenants. The Company and the Sublessee make the following representations and covenants as the basis for the undertakings on its part herein contained:

- (a) Each has power to enter into and to execute and deliver this Agreement.
- (b) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of this Agreement will conflict with or result in a breach of any of the terms, conditions or provisions of any corporate restriction or any agreement or instrument to which the Company or the Sublessee is a party or by which either is bound, or will constitute a default under any of the foregoing, or result in the creation or imposition of any lien of any nature upon any of the property of the Company or the Sublessee under the terms of any such instrument or agreement.
- (c) The providing of the Facility by the Agency, the leasing thereof by the Agency to the Company and the subleasing thereof to the Sublessee will not result in the abandonment of an industrial facility in the State of New York, and is reasonably necessary to preserve the competitive position of the Sublessee in its industry.
- (d) The operation of the Facility will conform with all applicable zoning, planning, building and environmental laws and regulations of governmental authorities having jurisdiction over the Facility, and the Company and the Sublessee shall each defend, indemnify and hold the Agency harmless from any liability or expenses resulting from any failure by the Company or the Sublessee to comply with the provisions of this subsection (d).
- (e) There is no litigation pending or, to the knowledge of the Company and the Sublessee, threatened, in any court, either state or federal, to which the Company or the Sublessee is a party, and in which an adverse result would in any way diminish or adversely impact on the ability of the Company or the Sublessee to fulfill their respective obligations under this Agreement.

3. Job Creation and Retention Obligations. The Company's Employment Obligation shall mean the obligation of the Company to create (or cause the Sublessee to create) 3 FTEs at the Facility by the end of the third year of the First Amended and Restated Leaseback Agreement and to retain (or cause the Sublessee to retain) the existing 152 FTEs at the Facility and maintain (or cause the Sublessee to maintain) all for the duration of the Lease Term as a result of undertaking the Facility, which is the number of FTEs employed by the Company and/or the Sublessee in Oneida County and selected by the Agency as the Company's obligation. After the expiration of the Employment Obligation Term, the Company and the Sublessee shall have no further obligation with respect to the Employment Obligation and shall not be liable for any of the payments described below.

4. Events of Default. An Event of Default shall mean either of the following events:

(a) The failure of the Company and/or the Sublessee to meet the Employment Obligation shall constitute a default under this Agreement and shall subject the Company to the applicable remedies of the Agency set forth below. The Company shall be deemed to have failed to satisfy its Employment Obligation if, at such time the Company files its AER, the total number of FTEs shown on such AER for the applicable Lease Year is below the Minimum Standard. The AER shall be filed by the Company to the Agency on or before January 31 of each calendar year during the Employment Obligation Term; provided, however, the Company is not obligated to file its first AER with the Agency sooner than January 31, 2021.

(b) If the Company shall exercise its option to terminate early the First Amended and Restated Leaseback Agreement as set forth in Section 8.1 of the First Amended and Restated Leaseback Agreement it shall constitute a default under this Agreement and shall subject the Company to the applicable remedies of the Agency set forth below.

5. Remedies.

(a) If the Company falls below the Minimum Standard, the Agency will notify the Company in writing of the Agency's intention to recapture Financial Assistance. The Company will have thirty (30) days to respond to the letter and may include a request to appear before the Agency. The Agency will determine, in its sole discretion, if a valid exemption exists and potentially reduce the remedies described below.

(b) Initial Shortfall and Shortfall Payments.

(1) If, during the first five (5) years of the Employment Obligation Term a Company fails to achieve the Minimum Standard, then the Company shall pay to the Agency an amount equal to (a) the Per Employee Amount multiplied by (b) the Shortfall and then multiplied by (c) 1.5.

(2) If, after the first five (5) years of the Employment Obligation Term a Company fails to achieve the Minimum Standard, then the Company shall pay to the Agency an amount equal to (a) the Per Employee Amount multiplied by (b) the Shortfall.

(3) Notwithstanding any of the foregoing, the Company shall not be liable for paying a Shortfall Payment unless the number of FTEs remains a Shortfall after the expiration of a Cure Period.

- (4) Notwithstanding any of the foregoing, a Shortfall shall not apply where the Shortfall is as a result of a major casualty to or condemnation of the facility. In the event of such major casualty or condemnation, the Company shall have no obligation to pay the Shortfall Payment.

(c) Major Shortfall Payment.

- (1) If a Company shall incur a Major Shortfall, then the Company shall pay to the Agency as an additional one-time payment an amount as set forth in the schedule below.

| <u>Major Shortfall Occurs:</u> | <u>Percentage of Initial Benefit</u> |
|--------------------------------|--------------------------------------|
| Year 1 | 100% |
| Year 2 | 90% |
| Year 3 | 80% |
| Year 4 | 70% |
| Year 5 | 60% |
| Year 6 | 50% |
| Year 7 | 45% |
| Year 8 | 40% |
| Year 9 | 35% |
| Year 10 | 30% |

- (2) Notwithstanding any of the foregoing, the Company shall not be liable for a Major Shortfall Payment unless the number of FTEs remains at less than 65% of the Employment Obligation at the expiration of a Cure Period. The Company shall have the opportunity at any time before the expiration of a Cure Period to provide additional information to the Agency regarding the Major Shortfall, and to request a waiver or amendment of this provision.
- (3) Notwithstanding any of the foregoing, a Major Shortfall shall not apply where the Shortfall is as a result of a major casualty to or condemnation of the facility. In the event of such major casualty or condemnation, the Company shall have no obligation to pay the Major Shortfall Payment.
- (4) Qualification for a waiver of either (2) or (3) above shall be at the sole discretion of the Agency.
- (d) If the Shortfall or Major Shortfall is as a result of the Company and/or the Sublessee shifting employment away from Oneida County, then the Agency will require the value of the Benefit and the Initial Benefit utilized to date to be repaid, with interest (determined as the New York State legal interest rate).
- (e) If the Agency recaptures Initial Benefits or Benefits from a Company, the Agency shall return the recaptured funds promptly to the affected taxing jurisdiction, unless otherwise agreed to by the taxing jurisdiction, in accordance with the General Municipal Law.

6. The Agency retains all rights to impose, delay or waive penalties and the right to deviate from these recapture provisions. Notwithstanding this right, the Agency is obligated to recapture New York State sales tax benefits where:

- a) The Project is not entitled to receive those benefits;
- b) The exemptions exceed the amount authorized, or are claimed for unauthorized property or services; or
- c) Either the Company or the Sublessee fails to use property or services in the manner required by the Leaseback Agreement.

The Company acknowledges that the value of the sales tax exemption authorized by the Agency is currently limited to \$245,727.00.

7. Notices. All notices, certificates or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when (i) mailed by United States registered or certified mail, postage prepaid, return receipt requested or (ii) when delivered by a commercial overnight courier that guarantees next day delivery and provides a receipt, to the Agency or the Company, as the case may be, addressed as follows:

To the Agency: Oneida County Industrial Development Agency
584 Phoenix Drive
Rome, New York 13441
Attn.: Chairman

With a Copy To: Bond, Schoeneck & King, PLLC
501 Main Street
Utica, New York 13501
Attn.: Linda E. Romano, Esq.

To the Company: ECR Properties, Inc.
2201 Dwyer Avenue
Utica, New York 13501
Attn.: Paul Totaro, Vice President/CFO

With a Copy To: Phillips Lytle LLP
One Canalside
125 Main Street
Buffalo, New York 14203-2887
Attn.: David Murray, Esq.

To the Sublessee: ECR International, Inc.
2201 Dwyer Avenue
Utica, New York 13501
Attn.: Paul Totaro, Vice President/CFO

With a Copy To: Phillips Lytle LLP
One Canalside

125 Main Street
Buffalo, New York 14203-2887
Attn.: David Murray, Esq.

8. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Agency, the Company and the Sublessee and their respective successors and assigns.

9. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

10. Amendments, Changes and Modifications. This Agreement may not be amended, changed, modified, altered or terminated without the concurring written consent of the parties hereto.

11. Execution of Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

12. Applicable Law. This Agreement shall be governed exclusively by the applicable laws of the State of New York.

13. Survival of Obligations. This Agreement shall survive the performance of the obligations of the Company to make payments required by Section 2.6 of the First Amended and Restated Leaseback Agreement and all indemnities shall survive any termination or expiration of the First Amended and Restated Leaseback Agreement as to matters occurring during the period of the Company's occupancy of the Facility.

14. Section Headings Not Controlling. The headings of the several sections in this Agreement have been prepared for convenience of reference only and shall not control, affect the meaning or be taken as an interpretation of any provision of this Agreement.

15. Merger of the Agency.

(a) Nothing contained in this Agreement shall prevent the consolidation of the Agency with, or merger of the Agency into, or assignment by the Agency of its rights and interests hereunder to, any other body corporate and politic and public instrumentality of the State of New York or political subdivision thereof which has the legal authority to perform the obligations of the Agency hereunder, provided that upon any such consolidation, merger or assignment, the due and punctual performance and observance of all the agreements and conditions of this Agreement to be kept and performed by the Agency shall be expressly assumed in writing by the public instrumentality or political subdivision resulting from such consolidation or surviving such merger or to which the Agency's rights and interests hereunder shall be assigned.

(b) As of the date of any such consolidation, merger or assignment, the Agency shall give notice thereof in reasonable detail to the Company and the Sublessee. The Agency shall promptly furnish to the Company and the Sublessee such additional information with respect to any such consolidation, merger or assignment as the Company or the Sublessee reasonably may request.

16. No Assignment. This Agreement may not be assigned by the Company or the Sublessee except with the written consent of the Agency, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, no consent from the Agency shall be required if an assignment of this Agreement is made by the Company or the Sublessee to the its respective parent, any direct or indirect subsidiary or affiliate of the Company or the Sublessee, or a successor to the Company or the Sublessee by way of merger, consolidation, corporate reorganization, or the purchase of all or substantially all of the Company's or Sublessee's assets.

17. Agreement to Pay Attorneys' Fees and Expenses. In the event the Company or the Sublessee should default under any of the provisions of this Agreement beyond applicable notice and cure periods and the Agency should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Company or the Sublessee herein contained, the Company and/or the Sublessee shall, on demand therefor, pay to the Agency the reasonable fees of such attorneys and such other expenses so incurred.

18. No Additional Waiver Implied By One Waiver. In the event any agreement contained herein should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

19. Inducement Agreement. The Transaction Documents represent the entire agreements of the Agency and the Company and supersede the terms of the Inducement Agreement dated April 24, 2020 between the same parties.

[signature page follows]

IN WITNESS WHEREOF, the Agency, the Company and the Sublessee have executed and delivered this **Job Creation and Recapture Agreement** as of the day and year first above written.

ECR PROPERTIES, INC.

By: Paul Totaro
Paul Totaro
Vice President

ECR INTERNATIONAL, INC.

By: Paul Totaro
Paul Totaro
Vice President

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
David C. Grow
Chairman

IN WITNESS WHEREOF, the Agency, the Company and the Sublessee have executed and delivered this **Job Creation and Recapture Agreement** as of the day and year first above written.

ECR PROPERTIES, INC.

By: _____
Paul Totaro
Vice President

ECR INTERNATIONAL, INC.

By: _____
Paul Totaro
Vice President

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
David C. Grow
Chairman

TERMS OF FINANCIAL ASSISTANCE
Board Summary – Dec 8, 2023

General Project Information

Company: **MVEDGE (Danfoss as sub-tenant)**

Description of Project: Flex Space at Marcy Nanocenter

EDGE intends to build, under Phase 1, a 60,000 SF Flex Space building on a portion of a 17 +/- acre site, owned by EDGE, at the Marcy Nanocenter. This site has been master-planned as a supply chain site to support the semiconductor and advanced electronics industry. EDGE has secured all permitting approvals for the project. The site is pre-permitted to support up to 150,000 SF of supply chain space (Phase 1 building can be expanded to 120,000 SF and the site can also support a free standing 30,000 SF building). The Flex Space project will provide light manufacturing, office, labs/technology and logistics/warehousing space for supply chain companies to support the full build out of the Marcy Nanocenter site. The estimated Flex Space construction project cost is \$14.48M.

Danfoss will be responsible for fit out of its 43,982 SF of leased space (racking in warehouse, locker rooms, break area, furnace in test/assembly, demising of offices, purchase and installation of office furniture workstations, computers, telecom/server and test/assembly areas). Test/assembly space will have bench tools for test/assembly of power modules. Estimated costs are \$10,650,000.

The remaining 16,018 SF will be shelled and demised for other users related to growing a regional ecosystem for the semiconductor, and advanced electronics industry. This space is currently not pre-leased although EDGE has had discussions with potential firms and is actively marketing the Flex Space Site.

Type of Facility: Industrial

Will Project involve the abandonment of a facility? No

Request for Financial Assistance

Sales tax exemption: (estimated value \$ **61,500**)

Mortgage recording tax exemption: (estimated value \$ **66,050**)

PILOT: Total estimated PILOT payments over 49 years: \$ **8,587,378**

Length of PILOT: **49** years

Affected Tax Jurisdictions: Oneida County, Town of Marcy, Whitesboro Central School District, Dunham Public Library, Maynard Fire Department

Describe PILOT Payments: **PIF PILOT** – Deviation from UTEP - See attachment to application

Current real estate taxes: **Tax Exempt**

Company Obligations for Financial Assistance – Danfoss

Current FTEs to be retained: **295** in County: **100%**

FTEs to be created at Facility: **51** in County: **100%**

Date when created FTEs to be filled: **3** years



APPLICATION FOR FINANCIAL ASSISTANCE

Oneida County Industrial Development Agency

584 Phoenix Drive

Rome, New York 13441-1405

(315) 338-0393 telephone

(315) 338-5694 fax

Shawna M. Papale, Executive Director

spapale@mvedge.org

Please submit the signed and notarized completed application (Pages 1-25 ONLY), which must include any applicable addendum or supplemental information requested in the application, along with payment of a non-refundable \$500 Application Fee and a \$1,000 Commitment Fee (will be applied to final closing costs) to the Oneida County Industrial Development Agency, 584 Phoenix Drive, Rome NY 13441-1405, within 14 days prior to the OCIDA Board of Directors meeting at which you want the Application to be included on the Agenda. Wire transfer and ACH payments are acceptable but all related fees incurred by the Agency are payable by the Applicant. An electronic version of the application must accompany the original application via physical media or e-mail.

Mohawk Valley EDGE Flex Space Bldg -Marcy Nanocenter

Project Name

Date of Submission

Important Notes to Applicant:

Upon the submission of this application to the OCIDA, the application becomes a public document. Be advised that any action brought before the Agency is public information. All agendas for the OCIDA are issued publicly prior to the full agency meeting. Upon the submission of this application to the OCIDA, the application becomes a public document and OCIDA is required by law to post on its website and make available to the public this Application and supporting materials. If when completing this Application, you deem any information to be specifically exempted from disclosure under Article Six of the Public Officers Law, please answer the question "This information is deemed to be exempt from disclosure under Article Six of the Public Officers Law and is submitted on the attached confidential addendum." It is acceptable to submit any confidential addendum electronically as a .pdf file separate from the application, but any confidential addendum must still be submitted with the hard copy of the full application (see Page 1). Please answer any such questions on a separate Addendum titled, "Confidential and Protected by Article Six of the Public Officers Law." If OCIDA is challenged to produce any information the Applicant identifies as protected, the Applicant will be required at its sole cost to defend such assertion on behalf of OCIDA.

The information requested by this application is necessary to determine the eligibility of your project for OCIDA benefits. Please answer all questions and respond "Not Applicable", "NA", or "none" where appropriate. If you're response is an estimate, please indicate so. Attach additional sheets if more space is needed for a response. **All applications must include a completed and signed NYS SEQR form and Cost Benefit Analysis form (please consult with OCIDA) before the application is considered complete.**

By signing and submitting this Application, the Applicant acknowledges that it received a copy of the Uniform Tax Exemption Policy and the Oneida County IDA Penalty for Failure to Meet Employment Levels as adopted by the Agency and Agency Memorandums pertaining to the benefits of projects financed through the Agency.

A project financed through the Agency involves the preparation and execution of significant legal documents. Please consult with an attorney before signing any documents in connection with the proposed project. You will receive an engagement letter from the OCIDA legal counsel. You will be asked to sign the engagement letter acknowledging you will be responsible for all legal fees of OCIDA legal counsel and that you understand the process. Should you not close and legal services have been rendered by the OCIDA legal counsel, Applicant will be responsible for those costs.

If your project requires a public hearing, a representative of the applicant is required to be present. A date will be coordinated by the OCIDA legal counsel.

If you have any questions how to calculate the OCIDA's application fee please refer to the enclosed Memorandum to Companies -Sale Leaseback Transactions or contact the OCIDA.

Part I: Applicant Information

Note: In responding to the following questions, please keep in mind that the Applicant will be party to all of the documents and is the individual or if entity will be formed which will receive the actual financial assistance from the Agency.

Applicant

1(a) Applicant's Legal Name: Economic Development Growth Enterprises Corporation (dba

1(b) Principal Address: 584 Phoenix Dr.

Rome, NY 13441

1(c) Telephone/Facsimile Numbers: (315) 338-0393 (Office) Fax (315) 338-5694

1(d) Email Address: sjdimeo@mvedge.org

1(e) Federal Identification Number: 16 -0874637

1(f) Contact Person: Steven J. DiMeo President & CEO

1(g) Is the Applicant a Corporation: If Yes, Public Private If public, on which exchange is it listed?

- Subchapter S
- Sole Proprietorship
- General Partnership
- Limited Partnership
- Limited Liability Corporation/Partnership
- Single-Member LLC (name and EIN below):

Name: _____

EIN #: _____

- DISC _____
- Other(specify) _____

1(h) State of Organization (if applicable) New York

Applicant's Stockholders, Members, Directors and Officers, Partners.

2(a) Provide the following information with respect to any person with 15% or more in equity holdings in any entity in ownership chain of the project. Add additional sheets if necessary.

| <u>Name</u> | <u>Address</u> | <u>Percentage of Ownership</u> |
|--|----------------|--------------------------------|
| Applicant is a New York not-for-profit corporation and is exempt from federal income taxation under Section 501 (C) (3) of the Internal Revenue Code of 1976, as amended. No person or entity has any equity holding in applicant. | | |

2(b) Is the Applicant, or any of the individuals listed in 2(a) above, related directly or indirectly to any other entity by more than 50% common ownership? **If Yes**, indicate name of such entity and the relationship. Yes No

Applicant is the sole member of 5900 Success Drive Realty LLC, a New York limited liability company. Thus, applicant is the parent company of 5900 Success Drive Realty, LLC.

2(c) Is the Applicant affiliated with any other entity, directly or indirectly, other than as listed in the response to 2(a) above? **If Yes**, please indicate name and relationship of such other entity and the address thereof: Yes No

Applicant's Counsel and Accountant

3(a) Applicant's Attorney

Name/Title: Joseph E. Saunders

Firm: Saunders Kahler L.L.P

Address: 185 Genesee St
Utica, NY 13501

Telephone/Fax: (315) 733-0419

Email: jrsaunders@saunderskahler.com

3(b) Applicant's Accountant

Name/Title: Nicole E. Chubbuck, CPA Partner

Firm: D'Arcangelo & Co. LLP

Address: 200 E. Garden St. P.O. Box 4300
Rome, NY 13440

Telephone/Fax: 315 336-9220 Fax (315) 336-0836

Email: nchubbuck@darangelo.cpa

Business Description

4(a) Describe the nature of your business and principal products and/or services. Attach additional sheets if necessary.

Mohawk Valley EDGE is a private Not-For-Profit regional economic development corporation, that serves Oneida and Herkimer Counties. Created by a unique collaboration between public and private sector leaders as part of a long-range regional strategy, EDGE focuses on strengthening existing businesses, attracting new industries, partnering with key stakeholders on workforce development, job training, talent attraction, and building a vibrant business climate for companies and their employees. Mohawk Valley EDGE's corporate purposes are set forth in its Certificate of Incorporation. Among the initiatives undertaken by Mohawk Valley EDGE is its role as lead developer of the Marcy Nanocenter site that is co-located on the SUNY Poly campus in Marcy, NY. Marcy Nanocenter is a 434+/- acre site consisting of lands owned by EDGE and lands owned by SUNY and then ground subleased to EDGE. As lead developer, EDGE has spearheaded all planning, permitting, land assemblage, easements, engineering, site and infrastructure improvements to position this site for semiconductor and advanced electronics development. Wolfspeed, Inc. has located its 200 mm Silicon Carbide semiconductor manufacturing facility on a portion of the Marcy Nanocenter site. In addition, Danfoss Silicon Power LLC leases a power module production facility owned by Fort Schuyler Management Corporation on the SUNY Poly campus (Quad C facility at 330 Technology Drive). Mohawk Valley EDGE is planning to build and lease a supply chain facility on a 17+/- acre site, owned by EDGE, that is part the Marcy Nanocenter to help expand the regional ecosystem for the semiconductor and advanced electronics sector that is part of the I-90 Semiconductor corridor in New York State.

Part II: Project Information

5(a) Explain your project in detail. This description should include explanation of all activities which will occur due to this project. Attach additional sheets if necessary.

EDGE intends to build, under Phase 1, a 60,000 SF Flex Space building on a portion of a 17 +/- acre site, owned by EDGE, at the Marcy Nanocenter. This site has been master planned as a supply chain site to support the semiconductor and advanced electronics industry. EDGE has secured all permitting approvals for the project. The site is pre-permitted to support up to 150,000 SF of supply chain space (Phase 1 building can be expanded to 120,000 SF and the site can also support a free standing 30,000 SF building). The Flex Space project will provide light manufacturing, office, labs/technology and logistics/warehousing space for supply chain companies to support the full build out of the Marcy Nanocenter site. Wolfspeed, Inc. currently operates a 200 mm SiC semiconductor mfg facility on a portion of the Marcy Nanocenter site. In addition, Danfoss Silicon Power LLC leases from Fort Schuyler Management Corporation the Quad C facility which is situated on the SUNY Polytechnic Institute campus in Marcy. The Quad C facility consists of 56,000 SF of clean room space, offices and support facilities that Danfoss leases for its power module factory that supports automotive, industrial and renewable energy customers. The estimated Flex Space project cost is \$14.48M (See Supplemental Sheet).

Reasons for Project

6(a) Please explain in detail why you want to undertake this project.

The proposed Flex Space project is required to support the Marcy Nanocenter site and build a regional industry ecosystem. Wolfspeed, Inc. is doubling its investment (from \$1 Billion to \$2 Billion) for its Mohawk Valley Fab which is expected to generate interest by supply chain firms and vendors who need to co-locate near Wolfspeed's fab. Ultimately, Wolfspeed will have 614 direct jobs attached to its Mohawk Valley Fab. Currently, they are approaching 500 jobs at MVF.

Danfoss requires additional facilities to support its continued growth. Their Quad C facility currently has 295 employees and there is interest in looking at future expansion of the Quad C as Danfoss views its Power Module Factory at SUNY Poly as a strategic growth center for its global operations. In addition, EDGE is in discussions with ESD, SUNY and NY CREATES regarding acquisition of the SUNY Lands that make up the Marcy Nanocenter site to provide EDGE the ability to convey fee simple title of lands to prospective end users who are contributing to the growth of the I-90 Semiconductor and advanced electronics corridor in NYS, and enhancing its position as a global technology hub.

6(b) Why are you requesting the involvement of the Agency in your project?

EDGE is seeking OCIDA approval of statutory tax exemptions allowed under the enabling legislative statute that authorized the creation of the Oneida County Industrial Development Agency (mortgage recording tax exemption, sales tax exemptions and approval of the PILOT structure as set forth in the Agreement Approving PILOT Terms and Allocating PILOT Payments executed in October 2013 (the "PILOT Allocation Agreement") by and between OCIDA, Mohawk Valley EDGE and all of the affected taxing jurisdictions (Oneida County, Town of Marcy, Whitesboro Central School District, Maynard Fire Department, and Dunham Library), that covers the Marcy Nanocenter site. The aforementioned PILOT Allocation Agreement establishes the methodology for calculating annual PILOT obligations based on the type of space being built as part of the Marcy Nanocenter project, and includes the portion of the annual PILOT to be remitted to the affected taxing jurisdictions plus a 2% annual host payment to the town of Marcy. The remainder is reserved for Marcy Nanocenter project related purposes and will be deposited into the SUNYIT Project Development Fund and used by EDGE to offset EDGE project related debt financing on the project and support other future project related purposes as authorized under the PILOT Allocation Agreement. Attached is an exhibit that outlines the methodology for determining the annual PILOT obligation on all of the Phase 1 Flex space with a breakout showing monies that would be due and owing by Danfoss pursuant to its lease agreement. The balance of PILOT not due from Danfoss is to be paid by the building owner, EDGE, for any vacant space or by other tenants occupying the non-Danfoss Space. This estimate is based on 2023 tax rates and will be updated annually to determine the applicable annual PILOT amount due from Danfoss and others.

6(c) Please confirm by checking the box below, if there is the likelihood that the Project would not be undertaken **BUT FOR** the Financial Assistance provided by the Agency.

Yes No

If the Project could be undertaken without Financial Assistance provided by the Agency, ("**No**" is checked above) then provide a statement in the space provided below indicating why the Agency should approve the requested assistance:

This project would not move forward without OCIDA benefits and grant funds per the project budget. Construction inflation and the interest rate environment is a major barrier. Without OCIDA benefits and public grants to mitigate high construction costs and current interest rates this project would be unable to move forward. There is also a lack of modern single story space in the region forcing Wolfspeed & Danfoss to look at space outside the region. Without modern single story floor space built in support of the Marcy Nanocenter site, Wolfspeed, Danfoss and other semiconductor and advanced electronics companies will be forced to look outside the Utica-Rome MSA to meet their flex space requirements. Continued on supplemental sheet.

How will the Applicant's plans be affected or scaled back if Agency approval is not granted?

Project will not move forward, which could diminish Danfoss's long term growth plans for its operations at SUNY Poly and preclude supply chain opportunities and the future build out of the balance of the Marcy Nanocenter site that would inhibit the ability to attract other end users looking to co-locate at Marcy Nanocenter. The Flex Space site's proximity to Wolfspeed and Danfoss Silicon Power LLC is a major benefit in supporting additional investment opportunities and helping to expand the regional semiconductor and advanced electronics ecosystem.

6(d) Is the proposed project reasonably necessary to discourage the Applicant from removing such other plant or facility to a location outside the State of New York?

Yes No **If Yes**, please explain briefly.

Operations at the Quad C are essential to Danfoss' current and future operations. The Flex Space development option enhances the company's operations and facilitates the addition of additional functions to be co-located in Oneida County. With Danfoss's acquisition of Semikron there exists the opportunity to consolidate other Semikron functions into The Marcy Nanocenter/Quad C site over and above the projected jobs forecast to be created.

6(e) Will financing by the Agency result in the removal or abandonment of a plant or other facility of the applicant or any related entity presently located in another area of New York State?

[Yes [No

If Yes, is the proposed project reasonably necessary to preserve the competitive position of the Applicant in its respective industry? Yes No

If Yes, please provide a statement and evidence supporting the same. Include the name of all taxing jurisdictions in which the abandoned facility or plant lies, and whether Applicant has had any discussions with said taxing jurisdictions regarding the abandonment. Please provide as much detail as possible.

NA

6(f) Has the Applicant or any related entity previously secured financial assistance in Oneida County (whether through the Agency, the Empire State Development Corporation, or any other entity) ? Yes No

If Yes, please explain (indicate date of benefit, location of facility and outstanding balance).

EDGE is lead developer of the Marcy Nanocenter site which did receive various grants for planning, permitting, site assemblage, easements, engineering, site development and infrastructure improvements through ESD, DASNY, OCIDA, Oneida County, Mohawk Valley EDGE and debt financing arranged by MV EDGE. NYS provided various incentives to support Wolfped's 200 mmm SiC semiconductor manufacturing expansion, and NYS through Fort Schuyler Management Corporation built the Quad C facility that is leased to Danfoss Silicon Power LLC.

6(g) Has the Applicant or any related entity secured financial assistance anywhere within the United States within the last 90 days or does the Applicant or any related entity anticipate receiving financial assistance within the next 90 days? Yes No

If Yes, please explain.

See breakout of project budget and source of grants under 12 (d)

6(h) Check all categories best describing the type of project for all end users at project site (you may check more than one; if checking more than one indicate percentage of square footage the use represents):

Please provide percentage of sq. footage for each use (if more than one category):

- | | | | |
|-------------------------------------|--------------------------------|---------------------------------|---|
| <input checked="" type="checkbox"/> | Manufacturing | <input type="text" value="17"/> | % |
| <input type="checkbox"/> | Industrial Assembly or Service | <input type="text"/> | % |
| <input checked="" type="checkbox"/> | Back office operations | <input type="text" value="25"/> | % |
| <input type="checkbox"/> | Research and Development | <input type="text"/> | % |
| <input type="checkbox"/> | Technology/Cybersecurity | <input type="text"/> | % |
| <input checked="" type="checkbox"/> | Warehousing | <input type="text" value="58"/> | % |
| <input type="checkbox"/> | Commercial or Recreational | <input type="text"/> | % |
| <input type="checkbox"/> | Retail | <input type="text"/> | % |

- | | | | | |
|----------------------|--------------------------|--|----------------------|---|
| Add Housing Addendum | <input type="checkbox"/> | Residential housing (specify) <u>NA</u> | <input type="text"/> | % |
| | <input type="checkbox"/> | Pollution Control (specify) <u>NA</u> | <input type="text"/> | % |
| | <input type="checkbox"/> | Environmental (e.g., Brownfield) (specify) <u>NA</u> | <input type="text"/> | % |
| Add Solar Addendum | <input type="checkbox"/> | Other (specify ie; renewable energy) <u>NA</u> | <input type="text"/> | % |

6(i) Check all categories best describing the **scope of the project**:

- Acquisition of land
- Acquisition of existing building
- Renovations to existing building
- Construction of addition to existing building
- Demolition of existing building or part of building
- Construction of a new building
- Acquisition of machinery and/or equipment
- Installation of machinery and/or equipment
- Other (specify) _____

6(j) Please indicate the financial assistance you are requesting of the Agency, and provide the estimated value of said assistance. Attach a sheet labeled Annual PILOT that shows the annual utilization of the Real Property Tax Abatement by year and by taxing jurisdiction (PLEASE CONSULT WITH IDA STAFF ON PILOT CALCULATIONS).

| <u>Assistance Requested</u> | <u>Estimated Values</u> |
|--|--|
| <input checked="" type="checkbox"/> Real Property Tax Abatement (value of PILOT savings) | \$ <u>0</u> |
| <input checked="" type="checkbox"/> Mortgage Tax Exemption (.75%) | \$ <u>66,060</u> |
| Amount of mortgage: \$ <u>8,808,000</u> | |
| <input checked="" type="checkbox"/> Sales and Use Tax Exemption ** (8.75%) | \$ <u>61,250</u> (Not available for solar) |
| Value of goods/services to be exempted from sales tax: \$ <u>700,000</u> | |
| <input type="checkbox"/> Issuance by the Agency of Tax Exempt Bonds(bond dollar value) | \$ <u>NA</u> |

**** TOTAL EXEMPTION ASSISTANCE REQUESTED: \$ 127,310**

Is the financial assistance requested by the Applicant consistent with the IDA's Uniform Tax Exemption Policy? Yes No

If No, please provide a written statement describing the financial assistance being requested and detailing the reasons the IDA should consider deviating from its Policy.

Flex Space Project and proposed PILOT is based on the Agreement Approving PILOT Terms and Allocating PILOT Payments executed in October 2013 that encompasses all of the Marcy Nanocenter site . Attached is the estimated annual PILOT obligation on the Phase 1 Flex Space Building using the combined Tax rate for the affected taxing jurisdictions based on the 2023 tax rate (tax rate to be adjusted annually). The calculation of the annual PILOT will vary from year based on the combined tax rate for each year of the PILOT. Est. total payments over 49 years: \$ 8,587,378

** Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents will include a covenant by the Applicant that the estimate, above, represents the maximum amount of sales and use tax benefit currently authorized by the Agency with respect to this Application. The Agency may utilize the estimate, above, as well as the (9)proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered. It is the responsibility of the applicant to inform the IDA within 10 days if the project amount changes.

Part III: Facility Information

Attach copies of the most recent real property tax bills. Include copies for all taxing jurisdictions for the site/ facility that IDA assistance is being sought.

Facility (Physical Information) If multiple locations please provide information on all.

7(a) Street Address of Facility:

2049 Wafer Loop Road, Marcy, NY

7(b) City, Town and/or Village (list ALL incorporated municipalities):

Town of Marcy

7(c) School District:

Whitesboro

7(d) For what purpose was the facility site most recently used (i.e., light manufacturing, heavy manufacturing, assembly, etc.)?

Site is vacant land that EDGE acquired in 2011.

7(e) Zoning Classification of location of the project:

Planned Development Nanotechnology Development

7(f) Please describe in detail the facility to be acquired, constructed or renovated (including number of buildings, square footage, number of floors, type of construction,) and attach plot plans, photos or renderings, if available. If there are infrastructure improvements (water, sewer, gas, electrical, etc.) please provide details along with who will carry out those improvements and who will fund them. **Please be as specific as possible.**

Phase 1 project consists of construction of a 60,261 SF one-story Flex Space building that will be demised for light manufacturing, general administrative offices, and logistics/warehousing, including loading docks for in bound raw material and outbound distribution of finished product. The Phase 1 building is expandable to 120,000 SF with the ability to add a free standing 30,000 SF building on the balance of the 17 +/- acre site. Danfoss Silicon Power LLC is expected to lease 73.4% of the building for test/assembly, offices and logistics/warehousing. The balance of the space will be shelled and demised as additional tenants are secured in support of Marcy Nanocenter. EDGE retained VIP for A/E support and a Design Build Agreement to oversee design, bidding and construction of the project. The Flex Space site has all permitting approvals from the Town of Marcy Planning Board. The project requires extension of laterals for water and sanitary sewer connections, extension of a natural gas line, stormwater improvements (e.g., construction of stormwater detention facilities pursuant to the SPDES permit issued by NYSDEC, and an underground electrical interconnect from the EDGE substation to the Flex Space Building that EDGE will build and own.

7(g) Has construction or renovation commenced? Yes No

If Yes, please describe the work in detail that has been undertaken to date, including the date of commencement.

A site grading contract was issued and A/E Design/Build Scope with VIP Architecture. Base Bldg plans are ready for bidding for building shell. EDGE/VIP need to complete design for demising of tenant space.

If No, indicate the estimated dates of commencement and completion:

Construction Commencement: January 2024

Construction completion: May 2025

7(h) Will the construction or operation of the facility or any activity which will occur at the site require any local ordinance or variance to be obtained or require a permit or prior approval of any state or federal agency or body (other than normal occupancy and/or construction permits)?

Yes No

If Yes, please describe.

Has the Project received site plan approval from the Planning Department?

Yes No N/A

If Yes, please provide the Agency with a copy of the planning department approval along with the related State Environmental Quality Review (SEQR) determination. If no, please provide the status of approval:

See attached.

7(i) Will the project have a significant effect on the environment? Yes No

Important: please attach and sign Part 1 of either the the long or short Environmental Assessment Form to this Application.

7(j) What is the useful life of the facility? 40+ years

7(k) Is the site in a former Empire Zone? Yes No

If Yes, which Empire Zone: _____

Is project located in a Federal HUB Zone or distressed area: Yes No

Provide detail.

ALL APPLICANTS MUST ANSWER PART IV-8(a)

Part IV: Retail Project Questionnaire

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

8(a). Will any portion of the project (including that portion of the cost to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

Required Yes or No **If the answer is YES, please continue below.**
If the answer is NO, proceed to Section Part V - Facility (Legal Info)

For purposes of Question A, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

8(b). What percentage of the cost of the Project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? _____%. **If the answer is less than 33% do not complete the remainder of this retail determination page and proceed to next section, Part V Facility (Pg 13)**

*** If the answer to A above is Yes AND the answer to B above is greater than 33.33%, indicate which of the following questions below apply to the project:**

1. Will the project be operated by a not-for-profit corporation Yes No

2. Is the Project location or facility likely to attract a significant number of visitors from outside Oneida County?

Yes No

If yes, please provide a third party market analysis or other documentation supporting your response.

3. Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality within which the proposed project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services?

Yes No

If yes, please provide a third party market analysis that demonstrates that a majority of the project's customers are expected to come from outside of Oneida County and the project will not directly compete with existing businesses located in Oneida County.

Part V: Facility (Legal Information)

9(a) With respect to the **present owner** of the land or facility, please give the following information and provide a brief statement regarding the status of the acquisition.

(Note: the present owner is not necessarily the user of the facility, but that party which holds legal title to the facility.)

Legal Name: Economic Development Growth Enterprises Corp. (dba Moh
Address: 584 Phoenix Drive
Rome, NY 13441
Telephone: (315) 338-0393
Balance of Mortgage: 0
Holder of Mortgage: NA

If the Applicant is not the present owner of the facility, please attach any written agreements and contracts concerning the acquisition of the real property and/or equipment.

Mohawk Valley EDGE is fee title owner of the 17 +/--acre property where the proposed supply chain facility is to be located at the Marcy Nanocenter site.

9(b) Is there a legal relationship, directly or indirectly, by virtue of common control or through related persons, between the Applicant and the present owner of the facility?
 Yes No. **If Yes**, please explain.

EDGE owns land and will be project developer/bldg. owner with leases to Danfoss and other supply chain firms.

9(c) Will a related real estate holding company, partnership or other entity, be involved in the ownership structure of the transaction?
 Yes No. **If Yes**, please explain.

Applicant may create a real estate holding company for the project.

9(d) Will the title owner of the facility/property also be the user of the facility?
 Yes No **If Yes**, please explain.

EDGE's role is to develop, own, market and lease Flex Space to support expansion of regional semiconductor and advanced electronics ecosystem.

9(e) Is the Applicant currently a tenant in the facility? Yes No

9(f) Are you planning to use the entire proposed facility?
 Yes No

If No, please give the following information with respect to tenant(s) which will remain in the facility after the completion of the project, including the square footage the Applicant will occupy:

| <u>Name of Tenant</u> | <u>Floors Occupied</u> | <u>Sq. Ft. Occupied</u> | <u>Nature of Business</u> |
|-------------------------------|------------------------|-------------------------|--|
| Danfoss Silicon Power LLC | 1 | 44,243 | Advanced electronics system integrator |
| Vacant to be leased to others | 1 | 16,018 | Shelled for future use and leasing |
| | | | |

9(g) Are any of the tenants related to the owner of the facility?
 Yes No **If Yes**, please explain.

9(h) Will there be any other users utilizing the facility?
 Yes No

If Yes, please explain. Provide detail of the contractual arrangement including any financial exchange for the use of the site or property.

16,018 SF is shelled and will be demised for other users related to growing a regional ecosystem for the semiconductor, and advanced electronics industry This space is currently not pre-leased although EDGE has had discussions with potential firms and is actively marketing the Flex Space Site.

Part VI: Equipment

10(a) List the principal items or categories of equipment to be acquired as part of the project. If you are requesting sales tax exemption it is important to be as detailed as possible. (If a complete list is not available at time of application, as soon as one is available but prior to final authorizing resolution, please submit a detailed inventory of said equipment to be covered.) Attach a sheet if needed.

Danfoss will be responsible for fit out of its leased space (racking in warehouse, locker rooms, break area, furnace in test/assembly, demising of offices, purchase and installation of office furniture work stations, computers, telecom/server and test/assembly areas). Test/assembly space will have bench tools for test/assembly of power modules.

10(b) Please provide a brief description of any equipment which has already been purchased or ordered, attach all invoices and purchase orders, list amounts paid and dates of expected delivery. Attach a sheet if needed.

To be provided by Danfoss.

10(c) What is the useful life of the equipment? 7 to 10 years years

Part VII: Employment Information

"FTE" shall mean a full time employee that has a minimum of thirty-five (35) scheduled hours per week, or any combination of two or more part-time employees that work a minimum of fifteen (15) scheduled hours per week, when combined together, constitute the equivalent of a minimum of thirty-five (35) scheduled hours per week, and whose workplace location is the project facility. For this purpose an employee shall include a leased employee regularly retained by the company.

11(a) Estimate how many construction jobs will be created or retained as a result of this project.

180

11(b) Will the project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York?

Yes No **If Yes**, explain below.

Danfoss currently has 295 jobs at its SUNY Poly power module factory with the Flex space expansion and growth at its Quad C Power Module Facility, Danfoss expects to create an additional 51 jobs, Project will add both logistics and manufacturing jobs.

11(c) Have you experienced any employment changes (+ or -) in the last three (3) years?

Yes No **If Yes**, explain below.

Since June 2022, Danfoss Silicon Power LLC has added 200 + jobs.

11(d) Job Information related to project ***

Estimate below how many jobs will be created and retained as a result of this project, if OCIDA assistance is granted. **PLEASE MAKE SURE TOTAL PART-TIME EMPLOYEES ARE TURNED INTO FULL-TIME EQUIVALENTS (FTE) for Line B. - See Pg. 17.**

| Number of Jobs BEFORE Project | Location 1 | Location 2 | Location 3 | Location 4 | Location 5 | |
|--|---------------------------------|-------------------------------|------------|------------|------------|--------------|
| Address in NYS | 330 Technology Drive, Marcy, NY | 2049 Wafer Loop Rd. Marcy, NY | | | | Total |
| Full-Time Company | 240 | 0 | | | | 240 |
| Full-Time Independent Contractors | 25 | 0 | | | | 25 |
| Full-Time Leased | 30 | 0 | | | | 30 |
| A. Total Full-Time BEFORE | 295 | 0 | | | | 295 |
| Part-Time Company | 0 | 0 | | | | 0 |
| Part-Time Independent Contractors | 0 | 0 | | | | 0 |
| Part-Time Leased | 0 | 0 | | | | 0 |
| B. Total FTE Part-Timers BEFORE | 0 | 0 | | | | 0 |
| C. Total FTE BEFORE* | 295 | 0 | | | | 295 |

*For **Total FTE BEFORE** add full-time employees (line A) plus part-time employees that have been converted to FTE (line B).

| | Number of Jobs AFTER Project (within 3 years of project completion) | Location 1 | Location 2 | Location 3 | Location 4 | Location 5 | Total |
|-----------|--|-------------------|-------------------|-------------------|-------------------|-------------------|--------------|
| | Full-time Company | 260 | 28 | | | | 288 |
| | Full-Time Independent Contractors | 28 | 0 | | | | 28 |
| | Full-Time Leased | 30 | 0 | | | | 30 |
| A. | Total Full-Time AFTER | 318 | 28 | | | | 346 |
| | Part-Time Company | 0 | 0 | | | | 0 |
| | Part-Time Independent Contractors | 0 | 0 | | | | 0 |
| | Part-Time Leased | 0 | 0 | | | | 0 |
| B. | Total FTE Part-Timers AFTER | 0 | 0 | | | | 0 |
| C. | Total FTE AFTER * | 318 | 28 | | | | 346 |

*For **Total FTE AFTER** add full-time employees (line A) plus part-time employees that have been converted to FTE (line B).

| | Estimate the number of residents from the Labor Market Area** in which the Project is located that will fill the <u>JOBS CREATED</u> within three years of project completion | Location 1 | Location 2 | Location 3 | Location 4 | Location 5 | Total |
|-----------|--|-------------------|-------------------|-------------------|-------------------|-------------------|--------------|
| A. | Full-Time | 23 | 28 | | | | 51 |
| B. | FTE Part-Timers | | | | | | |
| C. | Total AFTER | 23 | 28 | | | | 51 |

** Labor Market Area includes Oneida, Lewis, Herkimer, and Madison Counties

Provide Any Notes To Job Information Below

Independent Contactor jobs reflect Danfoss Silicon Power LLC third party agreement with a facility management firm for the Quad C facility and additional support that will result with its Flex Space manufacturing/logistics/warehouse space. Danfoss's leased employees are through an employee agency many of whom eventually become permanent employees,

| SALARY AND BENEFITS | Retained Jobs | | Created Jobs | |
|--------------------------|---|--|---|--|
| | Average Annual Salary <i>per employee</i> | Average Fringe Benefits (as a percentage of wages) | Average Annual Salary <i>per employee</i> | Average Fringe Benefits (as a percentage of wages) |
| Management | \$ 126,000 | 28 % | \$ 126,000 | 28% |
| Administrative | \$ 112,044 | 28 % | \$ 112,044 | 28 % |
| Production | \$ 68,569 | 28 % | \$ 68,569 | 28% |
| Independent Contractor | \$ 83,000 | 0 % | \$ 0 | 0 % |
| Other | \$ 128,158 | 28% | \$ | 28 % |
| Overall Weighted Average | \$ 81,576 | 28 % | \$ 87,112 | 28% |

*** By statute, Agency staff must project the number of Full-Time Jobs that would be retained and created if the request for Financial Assistance is granted. "FTE" shall mean a full time employee that has a minimum of thirty-five (35) scheduled hours per week, or any combination of two or more part-time employees that work a minimum of fifteen (15) scheduled hours per week, when combined together, constitute the equivalent of a minimum of thirty-five (35) scheduled hours per week, and whose workplace location is the project facility. For this purpose an employee shall include a leased employee regularly retained by the company.

11(e) Please list NAICS codes for the jobs affiliated with this project:

semiconductor and other electronic component devices Electrical Equipment Mfg.
 NAICS 33635 Motor Vehicle Transmission and Power Train Parts Manufacturing
 NACIS 33599 All Other Electrical Equipment and Component ManufacturingT
 NACIS 33531 Electrical Equipment Mfg

Part VIII: Estimated Project Cost and Financing

12(a) List the costs necessary for preparing the facility.

| | | | |
|---|----|------------|----------------------------------|
| LAND Acquisition | \$ | | (If lease value use OTHER below) |
| Existing Building(s) ACQUISITION | \$ | | |
| Existing Building(s) RENOVATION | \$ | | |
| NEW Building(s) CONSTRUCTION | \$ | 11,355,604 | |
| Site preparation/parking lot construction | \$ | 1,553,292 | |
| Machinery & Equipment that is TAXABLE | \$ | 300,000 | Danfoss |
| Machinery & Equipment that is TAX-EXEMPT | \$ | 10,000,000 | Danfoss |
| Furniture & Fixtures | \$ | 250,000 | Danfoss |
| Installation costs | \$ | 100,000 | Danfoss |
| Architectural & Engineering | \$ | 525,000 | |
| Legal Fees (applicant, IDA, bank, other counsel) | \$ | 200,000 | |
| Financial (all costs related to project financing)* | \$ | 759,904 | See Other Below |
| Permits (describe below) | \$ | 25,000 | |
| Other (describe below) ie: solar decommissioning expense) | \$ | | |

| | | | |
|------------------------------------|------------|------------------------------|-------------------|
| Other: | Cost: | Subtotal \$ | 25,068,800 |
| 1. Bank Appraisal/Phase 1 ESA | \$ 12,500 | | |
| 2. Interim Interest - Construction | \$ 621,104 | | |
| 3. Bank Fees/UIDC/MVEDD | \$ 20,000 | Agency Fee ¹ \$ | 66,200 |
| 4. Mortgage Recording Tax 0.25% | \$ 22,000 | | |
| 5. Title Insurance/Other Costs | \$ 84,280 | Total Project Cost \$ | 25,135,000 |

* **Bank fees, title insurance, appraisals, environmental reviews, etc.**

¹ **See Attached Fee Schedule (Page 22) for Agency Fee amount to be placed on this line.**

Permit/Other Information

Building permit, Grading Permit, ighway Permits, SPDES Discharge Permit, Electrical Inspection for electrical Interconnect.

12(b) Has the Applicant contacted any bank, financial institution or private investor with respect to financing the proposed project? Yes No **If Yes**, please provide details below.

12(c) Has the Applicant received a commitment letter for said financing? **If Yes**, please provide a copy along with this application. Yes No

12(d) Sources of Funds for Project Costs

Bank Financing: ----- \$ 8,808,000

Equity (excluding equity that is attributed to grants/tax credits) -- \$ 1,400,000

Tax Exempt Bond Issuance (if applicable) ----- \$ _____

Taxable Bond Issuance (if applicable) ----- \$ _____

Public Sources (Include sum total of all state and federal tax credits and grants) Break out individually below.----- \$ 4,272,000

Identify each Public state and federal grant/credit:

Comments:

| | | | | |
|--------|---------------------|----|-----------|--|
| Source | Oneida County Grant | \$ | 2,000,000 | |
| Source | ESD Fast NY | \$ | 1,272,000 | |
| Source | ESD CFA Award | \$ | 1,000,000 | |
| Source | | \$ | | |

Total Sources of Funds for Project Costs: \$ 14,480,000

Part IX: Real Estate Taxes

13(a) For each tax parcel which comprises the facility, and for which assistance is being sought, please provide the following information using figures from the most recent tax year. If an increase in the assessment is anticipated due to the proposed project, please indicate the new estimated assessment amount in the **POST- PROJECT** column. Attach copies of the most recent tax bills for all jurisdictions.

| Tax Map Parcel # | Current Land Assessment | Current Building Assessment | Current Total Assessment | Current Total Taxes Amount (\$) | Estimated Post-Project Assessment |
|------------------|-------------------------|-----------------------------|--------------------------|---------------------------------|-----------------------------------|
| | \$423,400 | 0 | \$423,400 | 0 | \$5,500,000 |
| | | | | | |
| | | | | | |
| | | | | | |

13(b) Will the entirety of each tax parcel be subject to the PILOT? YES NO

13(c) If the entirety of each parcel will not be subject to the PILOT, will the municipality require a subdivision? YES NO

***If a subdivision is required, it is the responsibility of the Applicant to complete subdivision approval prior to commencement of the PILOT Agreement, and to provide the Agency with the tax parcel number(s) assigned.**

13(d) Address of Receiver of Town and/or Village Taxes (include all jurisdictions):

Gina M. Schillaci, Town Clerk/Tax Collector

Town of Marcy PO Box 220

Marcy NY 13403

13(e) Address of Receiver of School Taxes:

Whitesboro Central School District Receiver of Taxes C/O T

8539 Clark Mills Rd.

Whitesboro, NY 13492

13(f) Has the current property owner or user been granted an Ag-District exemption on the tax map parcel anytime during the past 4 years?

Yes No

If **Yes** explain below.

13(g) Please consult with Agency staff to complete a Cost/Benefit Analysis form to attach to this Application.

Use space below for additional information

NYS SEQRA Environmental Review

- The applicant must complete, sign and return to the IDA **either** the Short Form Environmental Assessment Form (SEAF) **or** the Full Environmental Assessment Form (FEAF). See the NYS DEC website for the most current versions of these documents.

<https://www.dec.ny.gov/permits/6191.html>

- To determine which EAF form is appropriate for the project, the applicant should consult with its engineer or legal counsel.
- It is the IDA's strong preference that the municipality that governs the jurisdiction where the project is located (e.g., a Planning Board, Zoning Board or other supervisory board) serve as lead agency for the SEQRA review.
- In limited cases, the IDA will act as lead agency, but it may lead to additional cost to the applicant if a review is required to make a determination of environmental impact.
- If another public body is serving as lead agency for the SEQRA review the applicant should provide the IDA with a signed Part 2 (and Part 3 if using the Long Form) and any minutes of meetings that detail the lead agency's determination.
- The IDA cannot grant any financial assistance until the SEQRA review process is complete.

Agency Fee Schedule

Commitment Fee: \$1,000 – due following the initial inducement but prior to scheduling of the public hearing; this amount is non-refundable if the applicant fails to close on the project before the IDA. Upon closing with the IDA this amount is applied to the closing fees.

Bond Fees: ½ of 1% of total bond amount

IDA Agency Fee: PILOT, Mortgage Recording Exemption, Sales Tax Exemption:

- Up to a \$1.0 Million project - \$5,000
- Above \$1.0 Million project up to \$10.0 Million project – ½ of 1% of total project cost.
- Above \$10.0 Million project – ½ of 1% of total project cost up to \$10.0 Million plus incremental increase of ¼ of 1% of total project above \$10.0 Million.
- Any previously induced solar or renewable energy projects that have not yet proceeded to a final authorizing resolution, and are asking for an increase in benefits, will be subject to an Agency fee of one and one-half times the Agency's normal fee.

Transaction Counsel/Agency Counsel fee:

Set by Bond/Transaction Counsel based upon the nature and complexity of the transaction. This applies to bond and non-bond transactions (leasebacks, sale-leasebacks, etc).

Transaction Counsel/Agency Counsel fees for bond transactions typically will not exceed 2% of the bond amount or project costs. Transaction Counsel/Agency Counsel fees for a sale-leaseback/lease-leaseback transaction are typically \$8,500 to \$10,000 if no commercial financing is involved or \$10,000 to \$12,000 if commercial financing is involved. You will receive an engagement letter with a quote based upon the scope of your project.

Annual Fee:

For the term in which the property remains in the IDA's name, an annual lease payment is due in the amount of \$750 (Solar Projects: \$2,000). The first payment is due at closing and subsequent payments are due each January 1. For annual fees not paid and delinquent, a late charge of \$50 per month will be levied until such time the fee plus late charges are paid.

Other fees:

If Applicant requests the IDA enter into subsequent transactions following closing (i.e., a facility refinance), the IDA will charge a closing fee equal to 1/8 of one percent of the total reissuance, redemption, new or revised mortgage, refinancing, spreading agreement or other transaction with a minimum payment due of \$500. Applicant will also be responsible to pay any legal fees and any bank or financial institution fees the IDA incurs in connection with said transaction, throughout the term of the Agency's involvement with the facility.

REPRESENTATIONS AND CERTIFICATION BY APPLICANT

The undersigned requests that this Application be submitted for review to the Oneida County Industrial Development Agency (the "Agency") and its Board of Directors.

Approval of the Application can be granted solely by this Agency's Board of Directors. The undersigned acknowledges that Applicant shall be responsible for all costs incurred by the Agency and its counsel in connection with the attendant negotiations whether or not the transaction is carried to a successful conclusion.

The Applicant further understands and agrees with the Agency as follows:

1. **Annual Sales Tax Filings.** In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant.
2. **Annual Employment, Tax Exemption & Bond Status Reports.** The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site as well as tax exemption benefits received with the action of the Agency. For Applicants not responding to the Agency's request for reports by the stated due date, a \$500 late fee will be charged to the Applicant for each 30-day period the report is late beyond the due date, up until the time the report is submitted. Failure to provide such reports as provided in the transaction documents will be an Event of Default under the Lease (or Leaseback) Agreement between the Agency and Applicant. In addition, a Notice of Failure to provide the Agency with an Annual Employment, Tax Exemption & Bond Status Report may be reported to Agency board members, said report being an agenda item subject to the Open Meetings Law.
3. **Absence of Conflict of Interest.** The Applicant has consulted the Agency website of the list of the Agency members, officers and employees of the Agency. No member, officer, or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as herein after described (if none, state "none"):
4. **Hold Harmless.** Applicant hereby releases the Agency and its members, officers, servants, agents and employees from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to reach final

agreement with respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

5. The Applicant acknowledges that the Agency has disclosed that the actions and activities of the Agency are subject to the Public Authorities Accountability Act signed into law January 13, 2006 as Chapter 766 of the 2005 Laws of the State of New York.
6. The Applicant acknowledges that the Agency is subject to New York State's Freedom of Information Law (FOIL). **Applicant understands that all Project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.**
7. The Applicant acknowledges that it has been provided with a copy of the Agency's recapture policy (the "Recapture Policy"). The Applicant covenants and agrees that it fully understands that the Recapture Policy is applicable to the Project that is the subject of this Application, and that the Agency will implement the Recapture Policy if and when it is so required to do so. The Applicant further covenants and agrees that its Project is potentially subject to termination of Agency financial assistance and/or recapture of Agency financial assistance so provided and/or previously granted.
8. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:

§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

9. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.
10. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.
11. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.
12. The Applicant and the individual executing this Application on behalf of the Applicant acknowledge that the Agency will rely on the representations made herein when acting on this Application and hereby represent that the statements made herein do not contain any untrue statement of a material

fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

STATE OF NEW YORK)
COUNTY OF ONEIDA) ss.:

STEVEN J. DIMES, being first duly sworn, deposes and says:

1. That I am the PRESIDENT (Corporate Office) of MOHAWK VALLEY EDGE (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.

Steven J. Dimes
(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury this 1st day of DECEMBER, 20 23

Debra Laughinghouse
(Notary Public)

DEBRA LAUGHINGHOUSE
Notary Public, State of New York
Registration No. 01LA6402362
Qualified in Oneida County
Commission Expires: 12/30/2023

If the application has been completed by or in part by other than the person signing this application for the applicant please indicate who and in what capacity:

By: _____

Name: _____

Title: _____

Date: _____

Please submit the signed and notarized completed application along with payment of a non-refundable **\$500 Application Fee** and a **\$1,000 Commitment Fee** (will be applied to final closing costs) to the **Oneida County Industrial Development Agency**, 584 Phoenix Drive, Rome NY 13441-1405, **within 14 days prior to the OCIDA Board of Directors meeting at which you want the Application to be included on the Agenda**. Wire transfer and ACH payments are acceptable but all related fees incurred by the Agency are payable by the Applicant. It is advised that an electronic version of the application accompany the original application via hard copy or e-mail. An electronic version of the application must accompany the original application via physical media or e-mail.

Supplemental Information: OCIDA Application for EDGE Flex Space Project

5(a). The Flex Space project supports the full build out of the Marcy Nanocenter site and helps expand the regional ecosystem, with Wolfspeed, Danfoss, Indium, Global Foundries, Micron’s proposed mega memory semiconductor campus planned in Clay, New York CREATES (Albany Nanotech R&D Center), and other regional industrial, academic and research assets. New York State has made significant investments in positioning the State as a global semiconductor hub resulting in an emerging semiconductor/advanced electronics cluster along the I-90 corridor from the Capital Region to Western NY with key nodes in Utica-Rome, Syracuse, Rochester, and Buffalo with regional linkages to a robust public and private university and community college system. The Marcy Nanocenter site can support additional development of two mid-size semiconductor factories. Developing the Flex Space site enhances the global position of Marcy Nanocenter to attract additional semiconductor growth.

Wolfspeed, Danfoss, and Indium have approximately 1,900 jobs in the Utica-Rome MSA and are a key part of the growing semiconductor and advanced electronics ecosystem that has further growth potential with the full build out of the Marcy Nanocenter and supply chain site. In addition, the Quad C site can add additional cleanroom and technology space in the region and EDGE is assisting Oneida County with plans to develop a 285-acre site located at Griffiss International Airport (Triangle site) that will be programmed for technology uses to further strengthen the regional semiconductor and advanced electronics ecosystem.

Danfoss is currently fitting out the Quad C with 8 manufacturing lines – 6 of which support its growing automotive business and two lines for industrial markets. Once on-line, these manufacturing lines will max out the Quad C facility. As part of the Phase 1 Flex Space project, Danfoss Silicon Power LLC intends to lease 73.4% of the 60,000 SF Flex Space facility for test/assembly, offices, and logistics/general warehousing.

6 (c) Micron’s proposed mega memory semiconductor development will include land for supply chain companies. Sites in Oswego, Rochester, WNY and the capital region are being pursued to take advantage of expansion opportunities with Global Foundries, Albany Nanotech and its pursuit of the Federal National Semiconductor Technology Center designation through the Department of Commerce. The Griffiss Triangle site, with 285 acres, can be positioned as an industry supply chain site but the Griffiss site is several years away from being deemed shovel ready. CenterState CEO has secured a federal Tech Hub designation from EDA that makes it eligible to compete for up to \$75M in federal funding. The EDA designation, which is branded as the “NY SMART I-Corridor Tech Hub”, includes the Syracuse MSA, Rochester, Buffalo, Tompkins County but excludes the Utica-Rome MSA.

6 (f) Mohawk Valley EDGE secured a \$1.0 M CFA grant to assist with the Flex Space project. This past August, Governor Hochul announced a \$14 M grant to EDGE under the FAST NY program for additional infrastructure improvements, grading, and utility improvements at Marcy Nanocenter.

Approximately \$1.272 M of the FAST NY grant is earmarked for site grading for the Flex Space site and the electrical interconnect from the MV EDGE substation to the Flex Space building. The \$1.0 M CFA grant award would be reimbursed to EDGE upon completion of construction and having 50% of the facility leased. Oneida County is likely to contribute \$2.0 M in funding for the flex space project with the balance of funding consisting of equity investment from EDGE and debt financing totaling \$8.808 M.

13. Receiver of Taxes: See OCIDA Application for Town Receiver and School District

Maynard Fire District
9500 Maynard Drive
Marcy, NY 13403

Attn: President.

Dunham Public Library
April, L. R. Bliss Library Director
76 Main St.
Whitesboro, NY 13492

Agreement Approving PILOT Terms & Allocating PILOT Payments Exhibit OCIDA Application

Marcy Nanocenter- Flex Space Site

November 13, 2023

Agreement Approving PILOT Terms and Allocating PILOT Payments – PILOT Methodology

| Yr. c ssss sxxc | Unit Value Office /GSF | Unit Value Tschnology Mfg Space/GSF | Unit Value Logistics Space/GSF | Assessed Valuation | Total Annual PILOT 2023 Tax Rate \$43.1656690/ Thousand Dollars Assessed Val. | Pct to Taxing Entities | EST. Annual Remittances to Affected Taxing Jurisdictions | Est. 2% Annual Community Host Payment | PILOT Balance After Remittances to Taxing Jurisdictions + 2% Host Payment |
|-----------------------|------------------------------|--|--------------------------------------|--------------------|---|------------------------------|---|---|--|
| 1 | \$ 125 | \$ 125 | \$ 75 | \$ 5,500,000 | \$ 237,411.18 | 10% | \$ 23,741.12 | \$ 4,748.22 | \$ 208,921.84 |
| 2 | \$ 123 | \$ 123 | \$ 73 | \$ 5,380,000 | \$ 232,231.30 | 11% | \$ 25,545.44 | \$ 4,644.63 | \$ 202,041.23 |
| 3 | \$ 121 | \$ 121 | \$ 71 | \$ 5,260,000 | \$ 227,051.42 | 12% | \$ 27,246.17 | \$ 4,541.03 | \$ 195,264.22 |
| 4 | \$ 119 | \$ 119 | \$ 69 | \$ 5,140,000 | \$ 221,871.54 | 13% | \$ 28,843.30 | \$ 4,437.43 | \$ 188,590.81 |
| 5 | \$ 117 | \$ 117 | \$ 67 | \$ 5,020,000 | \$ 216,691.66 | 14% | \$ 30,336.83 | \$ 4,333.83 | \$ 182,020.99 |
| 6 | \$ 115 | \$ 115 | \$ 65 | \$ 4,900,000 | \$ 211,511.78 | 15% | \$ 31,726.77 | \$ 4,230.24 | \$ 175,554.78 |
| 7 | \$ 113 | \$ 113 | \$ 63 | \$ 4,780,000 | \$ 206,331.90 | 16% | \$ 33,013.10 | \$ 4,126.64 | \$ 169,192.16 |
| 8 | \$ 109 | \$ 109 | \$ 61 | \$ 4,640,000 | \$ 200,288.70 | 17% | \$ 34,049.08 | \$ 4,005.77 | \$ 162,233.85 |
| 9 | \$ 107 | \$ 107 | \$ 59 | \$ 4,520,000 | \$ 195,108.82 | 18% | \$ 35,119.59 | \$ 3,902.18 | \$ 156,087.06 |
| 10 | \$ 105 | \$ 105 | \$ 57 | \$ 4,400,000 | \$ 189,928.94 | 19% | \$ 36,086.50 | \$ 3,798.58 | \$ 150,043.87 |
| 11 | \$ 103 | \$ 103 | \$ 55 | \$ 4,280,000 | \$ 184,749.06 | 20% | \$ 36,949.81 | \$ 3,694.98 | \$ 144,104.27 |
| 12 | \$ 101 | \$ 101 | \$ 53 | \$ 4,160,000 | \$ 179,569.18 | 21% | \$ 37,709.53 | \$ 3,591.38 | \$ 138,268.27 |
| 13 | \$ 99 | \$ 99 | \$ 51 | \$ 4,040,000 | \$ 174,389.30 | 22% | \$ 38,365.65 | \$ 3,487.79 | \$ 132,535.87 |
| 14 | \$ 97 | \$ 97 | \$ 49 | \$ 3,920,000 | \$ 169,209.42 | 23% | \$ 38,918.17 | \$ 3,384.19 | \$ 126,907.07 |
| 15 | \$ 95 | \$ 95 | \$ 47 | \$ 3,800,000 | \$ 164,029.54 | 24% | \$ 39,367.09 | \$ 3,280.59 | \$ 121,381.86 |
| 16- 20 | \$ 95 | \$ 95 | \$ 47 | \$ 3,800,000 | \$ 164,029.54 | 25% | \$ 41,007.39 | \$ 3,280.59 | \$ 119,741.57 |

Agreement Approving PILOT Terms and Allocating PILOT Payments Methodology

| Yr. | Unit Value Office /GSF | Unit Value Technology Mfg. Space/GSF | Unit Value Logistics Space/GSF | Assessed Valuation | Total Annual PILOT 2023 Tax Rate \$43.1656690/ Thousand Dollars Assessed Val. | Pct to Taxing Entities | EST. Annual Remittances to Affected Taxing Jurisdictions | Est. 2% Annual Community Host Payment | PILOT Balance After Remittances to Taxing Jurisdictions + 2% Host Payment |
|-----------|------------------------------|---|--------------------------------------|-----------------------|---|------------------------------|--|---|--|
| 21- 25 | \$ 95 | \$ 95 | \$ 47 | \$ 3,800,000 | \$ 164,029.54 | 25% | \$ 41,007.39 | \$ 3,280.59 | \$ 119,741.56 |
| 26- 30 | \$ 95 | \$ 95 | \$ 47 | \$ 3,800,000 | \$ 164,029.54 | 30% | \$ 49,208.86 | \$ 3,280.59 | \$ 111,540.09 |
| 31- 35 | \$ 95 | \$ 95 | \$ 47 | \$ 3,800,000 | \$ 164,029.54 | 35% | \$ 57,410.34 | \$ 3,280.59 | \$ 103,338.61 |
| 36- 40 | \$ 95 | \$ 95 | \$ 47 | \$ 3,800,000 | \$ 164,029.54 | 40% | \$ 65,611.82 | \$ 3,280.59 | \$ 95,137.13 |
| 41- 49 | \$ 95 | \$ 95 | \$ 47 | \$ 3,800,000 | \$ 164,029.54 | 45% | \$ 73,813.29 | \$ 3,280.59 | \$ 86,935.66 |

PILOT Allocation Agreement

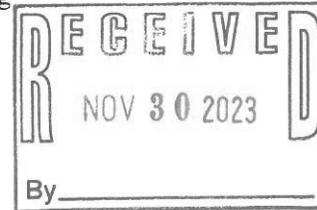
| Yr. | Total Annual PILOT 2023 Tax Rate \$43.1656690/ Thousand Dollars Assessed Val. | Danfoss Annual PILOT Obligation 73.4% of Flex Space GSF | Balance of PILOT for non- Danfoss Space + SUNYIT Project Development Fund | Pct to Taxing Entitie s | Est. Annual Payments to Taxing Entities | Est. 2% Annual Community Host Payment | PILOT Balance After Remittances to Taxing Entities + 2% Host Payment | Balance of Est. Danfoss PILOT Deposited into SUNYIT Project Development Fund | Remainder of Est. PILOT Non-Danfoss Deposited into SUNYIT Project Development Fund |
|-----------|--|---|--|----------------------------------|---|---|---|---|--|
| 1 | \$ 237,411.18 | \$ 174,259.81 | \$ 63,151.37 | 10% | \$ 23,741.12 | \$ 4,748.22 | \$ 208,921.84 | \$ 153,348.63 | \$ 55,573.21 |
| 2 | \$ 232,231.30 | \$ 170,457.77 | \$ 61,773.53 | 11% | \$ 25,545.44 | \$ 4,644.63 | \$ 202,041.23 | \$ 148,298.26 | \$ 53,742.97 |
| 3 | \$ 227,051.42 | \$ 166,655.74 | \$ 60,395.68 | 12% | \$ 27,246.17 | \$ 4,541.03 | \$ 195,264.22 | \$ 143,323.94 | \$ 51,940.28 |
| 4 | \$ 221,871.54 | \$ 162,853.71 | \$ 59,017.83 | 13% | \$ 28,843.30 | \$ 4,437.43 | \$ 188,590.81 | \$ 138,425.65 | \$ 50,165.15 |
| 5 | \$ 216,691.66 | \$ 159,051.68 | \$ 57,639.98 | 14% | \$ 30,336.83 | \$ 4,333.83 | \$ 182,020.99 | \$ 133,603.41 | \$ 48,417.58 |
| 6 | \$ 211,511.78 | \$ 155,249.65 | \$ 56,262.13 | 15% | \$ 31,726.77 | \$ 4,230.24 | \$ 175,554.78 | \$ 128,857.21 | \$ 46,697.57 |
| 7 | \$ 206,331.90 | \$ 151,447.61 | \$ 54,884.28 | 16% | \$ 33,013.10 | \$ 4,126.64 | \$ 169,192.16 | \$ 124,187.04 | \$ 45,005.11 |
| 8 | \$ 200,288.70 | \$ 147,011.91 | \$ 53,276.80 | 17% | \$ 34,049.08 | \$ 4,005.77 | \$ 162,233.85 | \$ 119,079.65 | \$ 43,154.20 |
| 9 | \$ 195,108.82 | \$ 143,209.88 | \$ 51,898.95 | 18% | \$ 35,119.59 | \$ 3,902.18 | \$ 156,087.06 | \$ 114,567.90 | \$ 41,519.16 |
| 10 | \$ 189,928.94 | \$ 139,407.84 | \$ 50,521.10 | 19% | \$ 36,086.50 | \$ 3,798.58 | \$ 150,043.87 | \$ 110,132.20 | \$ 39,911.67 |
| 11 | \$ 184,749.06 | \$ 135,605.81 | \$ 49,143.25 | 20% | \$ 36,949.81 | \$ 3,694.98 | \$ 144,104.27 | \$ 105,772.53 | \$ 38,331.74 |
| 12 | \$ 179,569.18 | \$ 131,803.78 | \$ 47,765.40 | 21% | \$ 37,709.53 | \$ 3,591.38 | \$ 138,268.27 | \$ 101,488.91 | \$ 36,779.36 |
| 13 | \$ 174,389.30 | \$ 128,001.75 | \$ 46,387.55 | 22% | \$ 38,365.65 | \$ 3,487.79 | \$ 132,535.87 | \$ 97,281.33 | \$ 35,254.54 |
| 14 | \$ 169,209.42 | \$ 124,199.72 | \$ 45,009.71 | 23% | \$ 38,918.17 | \$ 3,384.19 | \$ 126,907.07 | \$ 93,149.79 | \$ 33,757.28 |
| 15 | \$ 164,029.54 | \$ 120,397.68 | \$ 43,631.86 | 24% | \$ 39,367.09 | \$ 3,280.59 | \$ 121,381.86 | \$ 89,094.29 | \$ 32,287.58 |
| 16- 20 | \$ 164,029.54 | \$ 120,397.68 | \$ 43,631.86 | 25% | \$ 41,007.39 | \$ 3,280.59 | \$ 119,741.57 | \$ 87,890.31 | \$ 31,851.26 |

PILOT Allocation Agreement

| Yr. | Total Annual PILOT 2023 Tax Rate \$43.1656690/ Thousand Dollars Assessed Val. | Danfoss Share of PILOT Obligation | Non Dnfoss Share of Phase 1 Flex Space | Pct to Taxing Entities | Est. Payment s to Taxing Entities | Est. 2% Annual Community Host Payment | PILOT Bslance After Remittances to Taxing Entities + 2% Host Payment | Balance of Danfoss PILOT deposited into DUNYIT Project Develop. Fund | Remainder of PILOT Non- Danfoss Deposited into SUNYIT Project Develop. Fund |
|---|---|--|---|------------------------------|---|---|---|--|--|
| | | 73.4% | 26.60% | | | | 73.4% | 26.60% | |
| 21- 25 | \$164,029.54 | \$120,397.68 | \$ 43,631.86 | 25% | \$41,007.39 | \$ 3,280.59 | \$ 119,742.56 | \$ 87,891.04 | \$ 31,851.52 |
| 26- 30 | \$ 164,029.54 | \$120,397.68 | \$ 43,631.86 | 30% | \$49,208.86 | \$ 3,280.59 | \$ 111,540.09 | \$ 81,870.43 | \$ 29,669.66 |
| 31- 35 | \$ 164,029.54 | \$120,397.68 | \$ 43,631.86 | 35% | \$57,410.34 | \$ 3,280.59 | \$ 103,338.61 | \$75,850.54 | \$27,488.07 |
| 36- 40 | \$ 164,029.54 | \$120,397.68 | \$ 43,631.86 | 40% | \$65,611.82 | \$ 3,280.59 | \$ 95,137.13 | \$69,830.65 | \$ 25,306.48 |
| 41- 49 | \$ 164,029.54 | \$120,397.68 | \$ 43,631.86 | 45% | \$73,813.29 | \$ 3,280.59 | \$ 86,935.66 | \$ 63,810.77 | \$ 23,124.89 |
| Total Estimated Payments over 49 Years: \$8,587,378 | | | | | | | | | |



Town of Marcy
8801 Paul Becker Road
Marcy, New York 13403
(315) 768-4800 (phone) | (315) 768-1305(fax)
www.townofmarcy.org



November 17, 2023

Nicholas Bruno
Vice President Business Development
Mohawk Valley EDGE
584 Phoenix Drive
Rome, NY 13441

Re: Flex Space Development, "Farmer Parcel" at Marcy Nanocenter

Dear Mr. Bruno,

This letter is to confirm the town's approval of this proposed development.

The subject site was officially added to the Marcy Nanocenter in 2015, with Town Board approval to amend the PD Planned Development district to include it. The approval was made at the November 19, 2015, meeting, along with the SEQR Negative Declaration. (<https://bit.ly/3G4K4qB>)

On February 22, 2021, a site plan review application was submitted to the Marcy Planning Board under the PD procedures for the proposed development in its current form. The Planning Board submitted copies to involved and interested agencies pursuant to Municipal section 239 review regulations and SEQR. After review of the plans, agency comments and a public hearing, the Planning Board determined that the project was consistent with the SEQR findings of the lead agency (Town Board) for the Marcy Nanocenter, and approved the proposed site plan.

Subsequently, the Planning Board approved an increase in phase 1 of the development (from 50,000 to 60,000 GSF) on June 27, 2022. The Planning Board also approved a schedule extension and de minimis revision in the site plan on November 13, 2023.

The project is currently compliant with town regulations and eligible for a building permit.

Sincerely,

Robert Lambe
Marcy Planning Board Chair

Cc: Marcy Codes Department



Town of Marcy
8801 Paul Becker Road
Marcy, New York 13403
(315) 768-4800(phone) (315) 768-1305(fax)
www.townofmarcy.org

June 2, 2021

Nick Bruno
Associate Vice President of Business Development
Mohawk Valley EDGE
584 Phoenix Drive
Rome, NY 13441

Re: Marcy Nanocenter Farmer Parcel/Flex Space project

Dear Mr. Bruno,

This letter is to confirm the approval of the phase 1 site plan for the referenced project by the Town of Marcy Planning Board.

On February 22, 2021, the Planning Board determined that the proposed site development plan is consistent with the approved Marcy Nanocenter site plan as amended in 2015 with SEQR findings by the lead agent: Marcy Town Board. There are no anticipated significant adverse impacts because the project is within the allowed thresholds and the required infrastructure improvements have been substantially completed including road access, water main, sewer main, and overall site storm water management and wetlands mitigation. Mitigation measures for site-specific and construction phase impacts will be addressed in the conditions of approval.

On April 12, 2021, the Planning Board approved the Site Plan for the initial 50,000 SF of Flex Space Development with the condition that screening be provided along the northern portion of this site.

Please contact me with any questions.

Sincerely,

Robert Lambe, Chair
Marcy Planning Board

**ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 COST/BENEFIT ANALYSIS
 Required by §859-a(3) of the
 New York General Municipal Law**

Dec 4 2023

Name of Applicant: MVEDGE

Description of Project: New onstruction & equipping facility
 "Flex Space"

Name of All Sublessees or Other Occupants of Facility: Danfoss Silicon Power LLC

Principals or Parent of Applicant: _____

Products or Services of Applicant to be produced or carried out at facility: _____

Estimated Date of Completion of Project: May-25

Type of Financing/ Structure:

| | |
|----------|----------------------|
| _____ | Tax-Exempt Financing |
| _____ | Taxable Financing |
| <u>X</u> | Sale/ Leaseback |
| _____ | Other |

Type of Benefits being Sought by Applicant:

| | |
|----------|---|
| _____ | Taxable Financing |
| _____ | Tax-Exempt Bonds |
| <u>X</u> | Sales Tax Exemption on Eligible Expenses Until Completion |
| <u>X</u> | Mortgage Recording Tax Abatement |
| <u>X</u> | Real Property Tax Abatement |

Project Costs

| | |
|--|----------------------|
| Land Acquisition | \$ - |
| Existing Building(s) ACQUISITION | \$ - |
| Existing Building(S) RENOVATION | \$ - |
| NEW Building(s) CONSTRUCTION | \$ 11,355,604 |
| Installation Costs | \$ 100,000 |
| Site Preparation/Parking Lot Construction | \$ 1,553,292 |
| Machinery & Equipment (other than furniture) | \$ 10,300,000 |
| Furniture & Fixtures | \$ 250,000 |
| Architectural & Engineering | \$ 525,000 |
| Legal Fees (applicant, IDA, bank, other counsel) | \$ 200,000 |
| Financial (all costs related to project financing) | \$ 759,904 |
| Permits | \$ 25,000 |
| Other | |
| Agency Fee | \$ 66,200 |
| TOTAL COST OF PROJECT | \$ 25,135,000 |

Assistance Provided by the Following:

| | |
|--|--------------|
| EDGE Loan: | |
| MVEDD Loan: | |
| Grants - Please indicate source & Amount: | \$ 4,272,000 |
| Other Loans - Please indicate source & Amount: | \$ 8,808,000 |

Company Information

| | | Average Salary of these Positions | |
|-------------------------------------|-----|--|--------|
| Existing Jobs | 295 | \$ | 81,576 |
| Created Jobs FTE (over three years) | 51 | \$ | 87,112 |
| Retained Jobs | 295 | \$ | 81,576 |

Earnings Information for Oneida County

| | |
|---|-----------|
| Average Salary of Direct Jobs for Applicant | \$ 81,576 |
| Average of County Indirect Jobs | \$ 25,000 |
| Average of Construction Jobs | \$ 32,000 |

Note: \$1,000,000 in construction expenditures generates 15 person - years of employment
Construction Person Years of Employment: **65**

Calculation of Benefits (3 Year Period)

| | Total Earnings | Revenues |
|---|-----------------------|---------------------|
| Direct Jobs | | |
| Created | \$ 13,328,136 | \$ 566,446 |
| Existing | \$ 72,194,760 | \$ 3,068,277 |
| Indirect Jobs | | |
| Created | \$ 9,562,500 | \$ 406,406 |
| Existing | \$ 55,312,500 | \$ 2,350,781 |
| Construction - only one year | | |
| Person Years | \$ 2,081,423 | \$ 88,460 |
| TOTALS Calculation of Benefits (3 Yr Period) | \$ 152,479,319 | \$ 6,480,371 |

TAXABLE GOODS & SERVICES

| | | Spending Rate | Expenditures | State & Local Sales Tax Revenues |
|--|--------------|---------------|----------------------|----------------------------------|
| Direct Jobs | Created | 36% | \$ 4,798,129 | \$ 467,818 |
| | Existing | 0.36 | \$ 25,990,114 | \$ 2,534,036 |
| Indirect Jobs | Created | 0.36 | \$ 3,442,500 | \$ 335,644 |
| | Existing | 0.36 | \$ 19,912,500 | \$ 1,941,469 |
| Construction - only one year | Person Years | 0.36 | \$ 749,312 | \$ 73,058 |
| <u>TOTAL TAXABLE GOODS & SERVICES</u> | | | \$ 54,892,555 | \$ 5,352,024 |

Local (3 year) real property tax benefit (assuming 60% of jobs existing and created own a residence) with an average assessment of \$80,000 and the remainder of jobs existing created pay real property taxes through rent based on an average assessment per apartment of \$50,000.

| | | Municipality | |
|---|--------------------|--------------------|-------|
| Tax Rate for School District where facility is located: | 31.585129 | W'Boro & DunhamLib | 23-24 |
| Tax Rate for Municipality where facility is located: | 1.157928 | Hway&SewerGen | 2024 |
| Tax Rate for County: | 8.450875 | Oneida | 2023 |
| | Total Rate: | | |
| | 41.193932 | | |
| Real Property Taxes Paid: | \$ 969,211 | | |

COSTS: IDA BENEFITS

| | | |
|---|-------------------|--|
| Real Property Taxes Abatement | | Total PILOT payments over 49 years est. \$ 8,587,378 |
| Mortgage Tax Abated (.75%) | \$ 66,060 | |
| Estimated Sales Tax Abated During Construction Period (8.75%) | \$ 61,250 | |
| Total: | \$ 127,310 | |

NOTE: If there is a tax-exempt financing of all or a portion of the project cost, there is a neutral cost/benefit because of lower interest rates by reason of exclusion of interest from gross income of bondholders for purposes of Federal and State income taxes. Taxable financing carries the same cost/benefit for State Income Tax purposes. Such cost/benefits cannot be quantified.

**Inducement Resolution
EDGE Flex Space Facility at Marcy Nanocenter**

RESOLUTION OF THE ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING ECONOMIC DEVELOPMENT GROWTH ENTERPRISES CORPORATION, THE PRINCIPALS OF ECONOMIC DEVELOPMENT GROWTH ENTERPRISES CORPORATION, AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENT OF THE AGENCY IN CONNECTION WITH A LEASE-LEASEBACK TRANSACTION, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE PROJECT.

WHEREAS, Economic Development Growth Enterprises Corporation, on behalf of itself and its principals (collectively, the “Company” and sometimes referred to as ‘EDGE”), or an entity to be formed on behalf of any of the foregoing, has applied to the Agency to enter into a transaction in which the Agency will assist in construction of a 60,261± square foot single story Flex Space building including loading docks and all utilities and infrastructure to support the same (collectively, the “Improvements”) on a 17± acre portion of a parcel of land situate at 2049 Wafer Loop Road in the Town of Marcy, Oneida County, New York (the “Land”); and acquisition and installation of furniture, fixtures and equipment in the Improvements (the “Equipment”), to provide light manufacturing, office, labs/technology and logistics/warehousing space for supply chain companies for the purpose of supporting the semiconductor and advanced electronics industry and in furtherance of the master plan for the Marcy Nanocenter site (the Land, the Improvements and the Equipment is referred to collectively as the “Facility” and the construction and equipping of the Improvements is referred to as the “Project”); and

WHEREAS, the Company will lease the Facility to the Agency, pursuant to Article 18-A of the General Municipal Law of the State of New York and Chapter 372 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the “Act”) and the Agency will lease the Facility back to the Company pursuant to a Leaseback Agreement (the “Leaseback Agreement”); and

WHEREAS, the Company will further sublease 44,243± square feet of the Facility to Danfoss Silicon Power LLC (the “Sublessee”) for its operation, to support the continued growth of the Sublessee at the Quad C facility at SUNY Poly (the “Quad C Facility”); and

WHEREAS, the Company intends to further sublease the remaining 16,018± square feet of the Facility to another user or users relating to growing a regional ecosystem for the semiconductor and advanced electronic industry; and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Agency contemplates that it will provide financial assistance in the form of exemptions from mortgage recording taxes, exemptions from sales and use taxes on materials and/or Equipment used or incorporated in the Facility, and payment of real property taxes consistent with the Agreement Approving PILOT Terms and Allocating PILOT Payments dated as of October 1, 2013 by and among the Agency, the County of Oneida, Whitesboro Central School District, the Town of Marcy, Maynard Fire District, Dunham Public Library and EDGE (sometimes hereinafter referred to as the “PILOT Allocation Agreement”), conditioned upon EDGE creating and retaining (or causing the Sublessee to create and retain) certain employment levels at the Facility and at the Quad C Facility, which financial assistance represents a deviation from the Agency’s Uniform Tax Exemption Policy (the “Policy”), to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein; and

WHEREAS, the value of the proposed financial assistance is described below:

- Sales and use tax exemption valued at \$61,250.00
- Mortgage recording tax exemptions valued at \$66,060.00

In accordance with the PILOT Allocation Agreement and based upon existing projections, the Company shall pay approximately \$11,630,148.00 in real property taxes over 49 years (which figure may be updated from time to time); and

WHEREAS, the Company has requested the Agency deviate from its Policy for the following reasons:

1. **The nature of the proposed project:** The Project consists of the construction of a modern supply chain site, which is necessary to support and attract continued growth at the Marcy Nanocenter site.
2. **The nature of the property before the project begins:** The Project is situated on land that is part of a 400-acre site that has been developed as the “Marcy Nanocenter,” the goal of which is to attract advanced nanoelectronic manufacturing. The Project is located on a 17± acre portion of land, owned by EDGE, that has been master planned as a supply chain site to support the semiconductor and advanced electronics industry.
3. **The extent to which financial assistance for the properties will create or retain permanent, private sector jobs.** The Project will support the continued growth of Wolfspeed and Danfoss, and has the potential to attract other advanced electronics companies to Marcy Nanocenter.
4. **Impact of the proposed tax exemptions on affected tax jurisdictions:** The PILOT Payments are consistent with the methodology that was agreed upon among all taxing jurisdictions in the Agreement Approving PILOT Terms and Allocating PILOT Payments dated as of October 1, 2013.
5. **Impact on existing and proposed businesses and economic development projects in the vicinity:** The Flex Space site’s proximity to Wolfspeed and Danfoss is a major benefit in supporting additional investment opportunities and helping to expand the regional semiconductor and advanced electronics ecosystem. Providing opportunity for growth of the Marcy Nanocenter is also expected to further the growth in businesses and housing in the region.
6. **The amount of private sector investment generated or likely to be generated:** EDGE and Danfoss have committed to invest over \$25,000,000.00 in the aggregate into the project.
7. **The effect of the proposed project upon the environment:** Environmental impact has been extensively reviewed and studied. The cost associated with the environmental review is a burden, and some of the monies generated under the PILOT Allocation Agreement will help cover these costs.
8. **The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts in which the project is located.** Pursuant to the PILOT Allocation Agreement, each year an ever-increasing portion of the PILOT Payments made to the Agency are allocated and paid over by the

Agency to the affected taxing jurisdictions (including a 2% community host payment to the Town of Marcy).

9. The extent to which redevelopment will provide a benefit (economic or otherwise) not otherwise available within the municipality: There is not a Flex Space supply chain facility located at the Marcy Nanocenter site or in Oneida County. Without a modern supply chain facility on the Marcy Nanocenter site, Wolfspeed, Danfoss and other semiconductor and advanced electronics companies will be forced to look outside Oneida County to meet their flex space requirements.

WHEREAS, the Financial Assistance is conditioned upon the Company creating and retaining (or causing the Sublessee to create and retain) the following full time equivalent (“FTE”) positions: (a) create 28 FTEs at the Facility and 23 FTEs at the Quad C Facility prior to the commencement of the third lease year and maintain all for the balance of the term of the Leaseback Agreement; and (b) retain 295 FTEs at the Quad C Facility for the full term of the Leaseback Agreement, all as a result of the Company undertaking the Project (the “Employment Obligation”), and failure to do so may result in the termination or recapture of Financial Assistance; and

WHEREAS, EDGE has agreed to undertake certain site work in furtherance of the Project (the “EDGE Project Related Improvements”) and to finance a portion of the costs of the EDGE Project Related Improvements in furtherance of the Project (the “EDGE Project-Related Debt”); and

WHEREAS, in accordance with the PILOT Allocation Agreement, EDGE will submit a proposed summary of Sources and Uses of Funds for the Project (the “Sources and Uses of Funds”) and request the Agency approve EDGE Project-Related Debt for the Project; and

WHEREAS, prior to the closing of a lease-leaseback transaction, and the granting of any tax benefits, a public hearing (the “Hearing”) will be held so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency, or the location or nature of the Facility, can be heard; and

WHEREAS, notice of the Hearing will be given prior to the closing of a lease-leaseback transaction, and the granting of any tax benefits, and such notice (together with proof of publication) will be substantially in the form annexed hereto as **Exhibit A**; and

WHEREAS, the minutes of the Hearing are or will be annexed hereto as **Exhibit B**; and

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed lease-leaseback transaction is either an inducement to the Company (or the Sublessee) to maintain and expand the Facility in the County or is necessary to maintain the competitive position of the Company (or the Sublessee) in its industry; and

WHEREAS, the Agency desires to comply with the requirements of Article 8 of the Environmental Conservation Law, the State Environmental Quality Review Act, and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the "SEQR Act" or "SEQRA"), and the Agency constitutes a "State Agency"; and

WHEREAS, the Agency is adopting a SEQR resolution on even date hereof.

NOW, THEREFORE, BE IT RESOLVED by the Oneida County Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

Section 1. (a) The construction and equipping of the Facility and the Agency's financial assistance therefor, will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the County and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act and the same is, therefore, approved.

(b) It is desirable and in the public interest for the Agency to enter into a lease-leaseback transaction, for the purpose of providing financial assistance for the construction and equipping of the Facility, as reflected in the Company's application to the Agency and as amended from time to time prior to the closing of the lease-leaseback transaction.

Section 2. The form and substance of a proposed inducement agreement (in substantially the form presented to this meeting) by and between the Agency and the Company setting forth the undertakings of the Agency and the Company with respect to the closing of the lease-leaseback transaction, and the development of the Facility (the "Agreement") are hereby approved. The Chairman of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agreement, with such changes in terms and form as the

Chairman shall approve. The execution thereof by the Chairman shall constitute conclusive evidence of such approval.

Section 3. Subject to the conditions set forth in Section 5.02 of the Agreement and subject to Agency approval of the EDGE Project-Related Debt, the Agency shall assist the Company in its construction and equipping of the Facility and will provide Financial Assistance with respect thereto.

Section 4. The Company is herewith and hereby appointed the agent of Agency to equip the Facility and undertake the Project. The Company is hereby empowered to delegate its status as agent of the Agency to agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company may choose in order to equip the Facility and undertake the Project. The terms and conditions for the appointment of the Company as agent of the Agency for the purposes described in this resolution are set forth in the form of the attached letter addressed to the Company, marked as **Exhibit D** to this resolution. The form of such letter is incorporated herein by reference and is approved and adopted by the Agency, and the Chairman or Executive Director of the Agency or any other duly authorized official of the Agency are authorized to execute and deliver such letter to the Company. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company as agents of the Agency solely for purposes of making sales or leases of goods, services, and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company, as agent of the Agency shall be deemed to be on behalf of the Agency and for the benefit of the Facility. The Company shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company, as agent of the Agency.

Section 5. The law firm of Bond, Schoeneck & King, PLLC is appointed Transaction Counsel and Agency Counsel in connection with the lease-leaseback transaction.

Section 6. Counsel to the Agency and Transaction Counsel are hereby authorized to work with counsel to the Company and others to prepare, for submission to the Agency, all documents necessary to effect the lease-leaseback transaction.

Section 7. The Chairman of the Agency is hereby authorized and directed (i) to distribute copies of this resolution to the Company and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 8. This resolution shall take effect immediately.

DRAFT

STATE OF NEW YORK)
 : ss.:
COUNTY OF ONEIDA)

I, the undersigned Secretary of the Oneida County Industrial Development Agency DO HEREBY CERTIFY THAT:

I have compared the foregoing copy of a resolution of the Oneida County Industrial Development Agency (the "Agency"), with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.

Such resolution was passed at a meeting of the Agency duly convened in public session on December 8, 2023 at eight a.m., local time, at Rome, New York which the following members were:

Members Present:

Members Present – WebEx:

EDGE Staff Present:

EDGE Staff Present – WebEx:

Other Attendees:

Other Attendees – WebEx:

The question of the adoption of the foregoing resolution was duly put to vote, with the members voting as follows:

| | Aye | Nay | Abstain |
|----------------------|-------|-------|---------|
| Ferris Betrus | _____ | _____ | _____ |
| Michael Fitzgerald | _____ | _____ | _____ |
| David Grow | _____ | _____ | _____ |
| Mary Faith Messenger | _____ | _____ | _____ |
| Kirk Hinman | _____ | _____ | _____ |
| Eugene Quadraro | _____ | _____ | _____ |
| Steve Zogby | _____ | _____ | _____ |

and, therefore, the resolution was declared duly adopted.

The Agreement and the Application are in substantially the form presented to and approved at such meeting.

DRAFT

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of December 2023.

Shawna Papale, Secretary

EXHIBIT A
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York State General Municipal Law, will be held by the Oneida County Industrial Development Agency (the "Agency") on the ____ day of December 2023 at ____AM, local time, at _____, Town of Marcy, Oneida County, New York in connection with the following matters:

Economic Development Growth Enterprises Corporation, on behalf of itself and its principals (collectively, the "Company" and sometimes referred to as "EDGE"), or an entity to be formed on behalf of any of the foregoing, has applied to the Agency to enter into a transaction in which the Agency will assist in construction of a 60,261± square foot single story Flex Space building including loading docks and all utilities and infrastructure to support the same (collectively, the "Improvements") on a 17± acre portion of a parcel of land situate at 2049 Wafer Loop Road in the Town of Marcy, Oneida County, New York (the "Land"); and acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), to provide light manufacturing, office, labs/technology and logistics/warehousing space for supply chain companies for the purpose of supporting the semiconductor and advanced electronics industry and in furtherance of the master plan for the Marcy Nanocenter site (the Land, the Improvements and the Equipment is referred to collectively as the "Facility" and the construction and equipping of the Improvements is referred to as the "Project"). The Facility will be initially operated by the Company, and the Company will sublease a portion of the Facility to Danfoss Silicon Power LLC (the "Sublessee") for its operation.

The Agency contemplates it will provide financial assistance in the form of exemptions from mortgage recording taxes, exemptions from sales and use taxes on materials and/or equipment used or incorporated in the Facility, and payment of real property taxes for a period of 49 years consistent with the Agreement Approving PILOT Terms and Allocating PILOT Payments dated as of October 1, 2013 by and among the Agency, the County of Oneida, Whitesboro Central School District, the Town of Marcy, Maynard Fire District, Dunham Public Library and EDGE, conditioned upon the Company maintaining (or causing the Sublessee to maintain) certain employment levels at the Facility, which financial assistance represents a deviation from the Agency's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency.

A representative of the Agency will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. A copy of the Application for Financial Assistance filed by the Company with the Agency, including an analysis of the costs and benefits of the proposed Project, is available for public inspection at the offices of the Agency, 584 Phoenix Drive, Rome, New York.

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

Dated: December __, 2023

By: /s/ Shawna M. Papale, Executive Director

EXHIBIT B

MINUTES OF PUBLIC HEARING

Oneida County Industrial Development Agency
2024 Real Estate Lease
EDGE Flex Space Facility

1. _____, _____ of the Oneida County Industrial Development Agency (the "Agency"), called the hearing to order at _____ a.m.
2. _____, recorded the minutes of the hearing.
3. _____ then described the proposed project and related financial assistance as follows:

Economic Development Growth Enterprises Corporation, on behalf of itself and its principals (collectively, the "Company" and sometimes referred to as "EDGE"), or an entity to be formed on behalf of any of the foregoing, has applied to the Agency to enter into a transaction in which the Agency will assist in construction of a 60,261± square foot single story Flex Space building including loading docks and all utilities and infrastructure to support the same (collectively, the "Improvements") on a 17± acre portion of a parcel of land situate at 2049 Wafer Loop Road in the Town of Marcy, Oneida County, New York (the "Land"); and acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), to provide light manufacturing, office, labs/technology and logistics/warehousing space for supply chain companies for the purpose of supporting the semiconductor and advanced electronics industry and in furtherance of the master plan for the Marcy Nanocenter site (the Land, the Improvements and the Equipment is referred to collectively as the "Facility" and the construction and equipping of the Improvements is referred to as the "Project"). The Facility will be initially operated by the Company, and the Company will sublease a portion of the Facility to Danfoss Silicon Power LLC (the "Sublessee") for its operation.

The Agency contemplates it will provide financial assistance in the form of exemptions from mortgage recording taxes, exemptions from sales and use taxes on materials and/or equipment used or incorporated in the Facility, and payment of real property taxes for a period of 49 years consistent with the Agreement Approving PILOT Terms and Allocating PILOT Payments dated as of October 1, 2013 by and among the Agency, the County of Oneida, Whitesboro Central School District, the Town of Marcy, Maynard Fire District, Dunham

Public Library and EDGE, conditioned upon the Company maintaining (or causing the Sublessee to maintain) certain employment levels at the Facility, which financial assistance represents a deviation from the Agency's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency.

4. _____ then opened up the hearing for comments from the floor for or against the proposed financial assistance and the location and nature of the Facility. Attached is a listing of the persons heard and a summary of their views.
5. _____ then asked if there were any further comments, and, there being none, the hearing was closed at _____ a.m.

[Name]

STATE OF NEW YORK)
 : SS.:
COUNTY OF ONEIDA)

I, the undersigned Secretary of the Oneida County Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the foregoing copy of the minutes of a public hearing held by the Oneida County Industrial Development Agency (the "Agency") on December __, 2023 at _____ a.m. local time, at _____, Marcy, New York 13403 with the original thereof on file in the office of the Issuer, and that the same is a true and correct copy of the minutes in connection with such matter.

I FURTHER CERTIFY that (i) pursuant to Title 1 of Article 18-A of the New York General Municipal Law, said hearing was open to the general public, and public notice of the time and place of said hearing was duly given in accordance with such Title 1 of Article 18-A, (ii) the hearing in all respects was duly held, and (iii) members of the public had an opportunity to be heard.

IN WITNESS WHEREOF, I have hereunto set my hand as of _____, 2023.

Secretary

EXHIBIT C

_____, 2023

Economic Development Growth Enterprises Corporation
584 Phoenix Drive
Rome NY 13441

RE: *Oneida County Industrial Development Agency 2024 Real Estate Lease
(EDGE Flex Space Facility)*

Ladies and Gentlemen:

Pursuant to a resolution duly adopted on December 8, 2023, Oneida County Industrial Development Agency (the "Agency") appointed Economic Development Growth Enterprises Corporation, on behalf of itself and its principals (collectively, the "Company" and sometimes referred to as "EDGE"), or an entity to be formed on behalf of any of the foregoing, has applied to the Agency to enter into a transaction in which the Agency will assist in construction of a 60,261± square foot single story Flex Space building including loading docks and all utilities and infrastructure to support the same (collectively, the "Improvements") on a 17± acre portion of a parcel of land situate at 2049 Wafer Loop Road in the Town of Marcy, Oneida County, New York (the "Land"); and acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), to provide light manufacturing, office, labs/technology and logistics/warehousing space for supply chain companies for the purpose of supporting the semiconductor and advanced electronics industry and in furtherance of the master plan for the Marcy Nanocenter site (the Land, the Improvements and the Equipment is referred to collectively as the "Facility" and the construction and equipping of the Improvements is referred to as the "Project"). The Facility will be initially operated and/or managed by the Company, and the Company will sublease a portion of the Facility to Danfoss Silicon Power LLC for its operation.

This appointment includes authority to purchase on behalf of the Agency all materials to be incorporated into and made an integral part of the Facility, and the following activities as they relate to any construction, equipping and completion of any buildings, whether or not any materials, equipment or supplies described below are incorporated into or become an integral part of such buildings: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with construction and equipping (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with construction and equipping and (iii) all purchases, leases, rentals and uses of equipment, machinery, and other tangible personal property (including installation costs), installed or placed in, upon or under such building, including all repairs and replacements of such property.

The Agency will appoint the Company as its only direct agent for the Project. The agency appointment includes the power of the Company to delegate such agency appointment, in whole or in part, to agents, subagents, contractors, subcontractors, materialmen, suppliers and vendors of the Company and to such other parties as the Company chooses so long as they are engaged, directly or indirectly, in the activities hereinbefore described. Please advise the Executive Director of the Agency if you wish to appoint a contractor or other subagent, and the Agency will issue an ST-60 to that party.

In exercising this agency appointment, you and each of your properly appointed agents and subagents must claim the sales tax exemption for all purchases by giving your vendors New York State Form ST-123. The supplier or vendor should identify the Facility on each bill or invoice as the "**EDGE Flex Space Facility**" and indicate thereon that the Company, its agents, subagents, contractors and subcontractors acted as agent for the Agency in making the purchase.

You and each of your agents, subagents, contractors and/or subcontractors claiming a sales tax exemption in connection with the Facility must complete a New York State Department of Taxation and Finance Form ST-60. Original copies of each completed Form ST-60 must be delivered to the Agency within five (5) days of the appointment of each of your agents, subagents, contractors or subcontractors. Any agent, subagent, contractor or subcontractors of the Company which delivers completed Form ST-60 to the Agency will be deemed to be the agent, subagent, contractor or subcontractor of the Agency for purposes of constructing and equipping the Facility, and shall only then be authorized to use Form ST-123 as described above. Failure to comply with these requirements may result in loss of sales tax exemptions for the Facility.

It is important to note that contractors and subcontractors who have not been appointed subagent cannot use the sales tax exemption for equipment rental, tools, supplies and other items that do not become part of the finished project. Contractors and subcontractors must be appointed as agent or sub-agent of the Agency to use the Agency sales tax exemption for these purchases. Contractors and subcontractors who have not been appointed a subagent and are making purchases that would otherwise be exempt outside of the Agency's interest in the Facility must claim the sales tax exemption for renovation materials by giving their vendors a completed "Contractor Exempt Purchase Certificate" (Form ST-120.1) checking box (a).

The aforesaid appointment of the Company as agent of the Agency to renovate and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, or (b) December 8, 2024, provided, however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company if such activities and improvements are not completed by such time, and further provided that the Agency shall not unreasonably withhold its consent to the extension of such appointment.

Based upon representations made by the Company, the value of the sales tax to be abated relating to the construction and equipping of the Facility authorized by the Agency is not to exceed \$61,250.00. The Agency is required by law to recapture any New York State sales tax exemptions claimed by the Company that exceed \$61,250 for purchases made relating to the Project in the aggregate.

You should be aware that the New York State General Municipal Law requires you to file an Annual Statement (Form ST-340) with the New York State Department of Taxation and Finance regarding the value of sales tax exemptions you, your agents, consultants or subcontractors have claimed pursuant to the authority we have conferred on you with respect to the Project. We are providing a form of a worksheet for you to track all exempt purchases made in completing the Project, using Forms ST-123 or Form ST-120.1. Please provide the Agency with a copy of Form ST-340 along with your annual report to the Agency and this worksheet. The penalty for failure to file such statement, or to provide a copy to the Agency, is the removal of your authority to act as an agent.

If, for some reason, this transaction never closes, you will be liable for payment of the sales tax, if applicable and you are not otherwise exempt, on all materials purchased.

Please sign and return a copy of this letter for our files. The Agency will issue and deliver Form ST-60 to you upon receipt of this signed agency appointment letter. The Agency reserves the right to issue a revised agency appointment letter with respect to the process for utilizing and reporting exemptions hereunder.

Very truly yours,

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: _____

Name Shawna M. Papale

Title: Executive Director

ACCEPTED & AGREED:

ECONOMIC DEVELOPMENT GROWTH ENTERPRISES CORPORATION

By: _____

Name: Steven J. DiMeo

Title: President

**Full Environmental Assessment Form
Part 1 - Project and Setting**

Instructions for Completing Part 1

Part 1 is to be completed by the applicant or project sponsor. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification.

Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information; indicate whether missing information does not exist, or is not reasonably available to the sponsor; and, when possible, generally describe work or studies which would be necessary to update or fully develop that information.

Applicants/sponsors must complete all items in Sections A & B. In Sections C, D & E, most items contain an initial question that must be answered either "Yes" or "No". If the answer to the initial question is "Yes", complete the sub-questions that follow. If the answer to the initial question is "No", proceed to the next question. Section F allows the project sponsor to identify and attach any additional information. Section G requires the name and signature of the applicant or project sponsor to verify that the information contained in Part 1 is accurate and complete.

A. Project and Applicant/Sponsor Information.

| | | |
|--|-----------|----------------------------|
| Name of Action or Project: Mohawk Valley EDGE Flex Space Development at Marcy Nanocenter | | |
| Project Location (describe, and attach a general location map): 2049 Wafer Loop Road, Marcy NY (area south of Hazard Rd.) | | |
| Brief Description of Proposed Action (include purpose or need): Phase 1 project consists of construction of a 60,261 SF one-story Flex Space building that will be demised for light manufacturing, general administrative offices, and logistics/warehousing, including loading docks for in bound raw material and outbound distribution of finished product. The Phase 1 building is expandable to 120,000 SF (if a Phase 2 project is undertaken) with the ability to add a free standing 30,000 SF building on the balance of the 17 +/- acre site (if a phase 3 project is undertaken). | | |
| Name of Applicant/Sponsor: Economic Development Growth Enterprises Corporation (dba Mohawk Valley EDGE) | | Telephone: 315-338-0393 |
| | | E-Mail: |
| Address: 584 Phoenix Drive | | |
| City/PO: Rome | State: NY | Zip Code: 13441 |
| Project Contact (if not same as sponsor; give name and title/role): Steven J. DiMeo | | Telephone: 315-338-0393 |
| | | E-Mail: sjdimeo@mvedge.org |
| Address: 584 Phoenix Drive | | |
| City/PO: Rome | State: NY | Zip Code: 13441 |
| Property Owner (if not same as sponsor): Mohawk Valley EDGE | | Telephone: 315-338-0393 |
| | | E-Mail: |
| Address: 584 Phoenix Drive | | |
| City/PO: Rome | State: NY | Zip Code: 13441 |

B. Government Approvals

| B. Government Approvals, Funding, or Sponsorship. (“Funding” includes grants, loans, tax relief, and any other forms of financial assistance.) | | |
|---|---|---|
| Government Entity | If Yes: Identify Agency and Approval(s) Required | Application Date (Actual or projected) |
| a. City Council, Town Board, <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No or Village Board of Trustees | | |
| b. City, Town or Village <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Planning Board or Commission | Town of Marcy Planning Bd: Site plan approval and subdivision | Site Plan-2/22/2021 Subdivision: TBD |
| c. City, Town or <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Village Zoning Board of Appeals | | |
| d. Other local agencies <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| e. County agencies <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| f. Regional agencies <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| g. State agencies <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| h. Federal agencies <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| i. Coastal Resources. | | |
| i. Is the project site within a Coastal Area, or the waterfront area of a Designated Inland Waterway? | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| ii. Is the project site located in a community with an approved Local Waterfront Revitalization Program? | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| iii. Is the project site within a Coastal Erosion Hazard Area? | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

C. Planning and Zoning

| C.1. Planning and zoning actions. | |
|--|---|
| Will administrative or legislative adoption, or amendment of a plan, local law, ordinance, rule or regulation be the only approval(s) which must be granted to enable the proposed action to proceed? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <ul style="list-style-type: none"> • If Yes, complete sections C, F and G. • If No, proceed to question C.2 and complete all remaining sections and questions in Part 1 | |
| C.2. Adopted land use plans. | |
| a. Do any municipally- adopted (city, town, village or county) comprehensive land use plan(s) include the site where the proposed action would be located? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| If Yes, does the comprehensive plan include specific recommendations for the site where the proposed action would be located? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| b. Is the site of the proposed action within any local or regional special planning district (for example: Greenway; Brownfield Opportunity Area (BOA); designated State or Federal heritage area; watershed management plan; or other?) | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| If Yes, identify the plan(s): | |
| <u>NYS Heritage Areas - Mohawk Valley Heritage Corridor</u> | |
| _____ | |
| _____ | |
| c. Is the proposed action located wholly or partially within an area listed in an adopted municipal open space plan, or an adopted municipal farmland protection plan? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| If Yes, identify the plan(s): | |
| _____ | |
| _____ | |
| _____ | |

| | |
|--|---|
| C.3. Zoning | |
| a. Is the site of the proposed action located in a municipality with an adopted zoning law or ordinance. If Yes, what is the zoning classification(s) including any applicable overlay district? <u>Planned Development - Nanotechnology</u> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| b. Is the use permitted or allowed by a special or conditional use permit? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| c. Is a zoning change requested as part of the proposed action? If Yes, i. What is the proposed new zoning for the site? _____ | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| C.4. Existing community services. | |
| a. In what school district is the project site located? <u>Whitesboro Central School District</u> | |
| b. What police or other public protection forces serve the project site? <u>Oneida County Sheriffs Dept/NYS Police</u> | |
| c. Which fire protection and emergency medical services serve the project site? <u>Maynard Fire Department</u> | |
| d. What parks serve the project site? <u>N/A</u> | |

D. Project Details

| | |
|---|--|
| D.1. Proposed and Potential Development | |
| a. What is the general nature of the proposed action (e.g., residential, industrial, commercial, recreational; if mixed, include all components)? <u>Industrial</u> | |
| b. a. Total acreage of the site of the proposed action? _____ <u>17.33</u> acres b. Total acreage to be physically disturbed? _____ <u>17.33</u> acres c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? _____ <u>47.28</u> acres | |
| c. Is the proposed action an expansion of an existing project or use? i. If Yes, what is the approximate percentage of the proposed expansion and identify the units (e.g., acres, miles, housing units, square feet)? % _____ Units: _____ | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| d. Is the proposed action a subdivision, or does it include a subdivision? If Yes, i. Purpose or type of subdivision? (e.g., residential, industrial, commercial; if mixed, specify types) <u>industrial</u> ii. Is a cluster/conservation layout proposed? _____ iii. Number of lots proposed? _____ iv. Minimum and maximum proposed lot sizes? Minimum _____ Maximum _____ | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| e. Will the proposed action be constructed in multiple phases? i. If No, anticipated period of construction: _____ <u>12-17</u> months ii. If Yes: • Total number of phases anticipated _____ <u>2-3</u> • Anticipated commencement date of phase 1 (including demolition) _____ <u>1</u> month <u>2024</u> year • Anticipated completion date of final phase _____ <u>TBD</u> month _____ year • Generally describe connections or relationships among phases, including any contingencies where progress of one phase may determine timing or duration of future phases: _____ <u>Phasing is dependent on site interest and tenant needs. Phase 1 and 2 once complete will consist of one building and a shared parking lot.</u> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

f. Does the project include new residential uses? Yes No
 If Yes, show numbers of units proposed.

| | <u>One Family</u> | <u>Two Family</u> | <u>Three Family</u> | <u>Multiple Family (four or more)</u> |
|---------------|-------------------|-------------------|---------------------|---------------------------------------|
| Initial Phase | _____ | _____ | _____ | _____ |
| At completion | _____ | _____ | _____ | _____ |
| of all phases | _____ | _____ | _____ | _____ |

g. Does the proposed action include new non-residential construction (including expansions)? Yes No
 If Yes,

i. Total number of structures 1
 ii. Dimensions (in feet) of largest proposed structure: 30' height; 300' width; and 200' length
 iii. Approximate extent of building space to be heated or cooled: 60,000 square feet

h. Does the proposed action include construction or other activities that will result in the impoundment of any liquids, such as creation of a water supply, reservoir, pond, lake, waste lagoon or other storage? Yes No
 If Yes,

i. Purpose of the impoundment: Stormwater facility
 ii. If a water impoundment, the principal source of the water: Ground water Surface water streams Other specify: stormwater runoff
 iii. If other than water, identify the type of impounded/contained liquids and their source. _____
 iv. Approximate size of the proposed impoundment. Volume: 1,745,258 million gallons; surface area: .9 acres
 v. Dimensions of the proposed dam or impounding structure: 8.5' height; 400' length
 vi. Construction method/materials for the proposed dam or impounding structure (e.g., earth fill, rock, wood, concrete): earth fill

D.2. Project Operations

a. Does the proposed action include any excavation, mining, or dredging, during construction, operations, or both? (Not including general site preparation, grading or installation of utilities or foundations where all excavated materials will remain onsite) Yes No
 If Yes:

i. What is the purpose of the excavation or dredging? _____
 ii. How much material (including rock, earth, sediments, etc.) is proposed to be removed from the site?
 • Volume (specify tons or cubic yards): _____
 • Over what duration of time? _____
 iii. Describe nature and characteristics of materials to be excavated or dredged, and plans to use, manage or dispose of them.

 iv. Will there be onsite dewatering or processing of excavated materials? Yes No
 If yes, describe. _____

 v. What is the total area to be dredged or excavated? _____ acres
 vi. What is the maximum area to be worked at any one time? _____ acres
 vii. What would be the maximum depth of excavation or dredging? _____ feet
 viii. Will the excavation require blasting? Yes No
 ix. Summarize site reclamation goals and plan: _____

b. Would the proposed action cause or result in alteration of, increase or decrease in size of, or encroachment into any existing wetland, waterbody, shoreline, beach or adjacent area? Yes No
 If Yes:

i. Identify the wetland or waterbody which would be affected (by name, water index number, wetland map number or geographic description): _____

ii. Describe how the proposed action would affect that waterbody or wetland, e.g. excavation, fill, placement of structures, or alteration of channels, banks and shorelines. Indicate extent of activities, alterations and additions in square feet or acres:

iii. Will the proposed action cause or result in disturbance to bottom sediments? Yes No

If Yes, describe: _____

iv. Will the proposed action cause or result in the destruction or removal of aquatic vegetation? Yes No

If Yes:

- acres of aquatic vegetation proposed to be removed: _____
- expected acreage of aquatic vegetation remaining after project completion: _____
- purpose of proposed removal (e.g. beach clearing, invasive species control, boat access): _____

• proposed method of plant removal: _____

• if chemical/herbicide treatment will be used, specify product(s): _____

v. Describe any proposed reclamation/mitigation following disturbance: _____

c. Will the proposed action use, or create a new demand for water? Yes No

If Yes:

i. Total anticipated water usage/demand per day: 5,360 all phases gallons/day

ii. Will the proposed action obtain water from an existing public water supply? Yes No

If Yes:

- Name of district or service area: Mohawk Valley Water Authority
- Does the existing public water supply have capacity to serve the proposal? Yes No
- Is the project site in the existing district? Yes No
- Is expansion of the district needed? Yes No
- Do existing lines serve the project site? Yes No

iii. Will line extension within an existing district be necessary to supply the project? Yes No

If Yes:

• Describe extensions or capacity expansions proposed to serve this project: _____
laterals will be extended to the building.

• Source(s) of supply for the district: Mohawk Valley Water Authority

iv. Is a new water supply district or service area proposed to be formed to serve the project site? Yes No

If, Yes:

- Applicant/sponsor for new district: _____
- Date application submitted or anticipated: _____
- Proposed source(s) of supply for new district: _____

v. If a public water supply will not be used, describe plans to provide water supply for the project: _____

vi. If water supply will be from wells (public or private), what is the maximum pumping capacity: _____ gallons/minute.

d. Will the proposed action generate liquid wastes? Yes No

If Yes:

i. Total anticipated liquid waste generation per day: 5,360 all phases gallons/day

ii. Nature of liquid wastes to be generated (e.g., sanitary wastewater, industrial; if combination, describe all components and approximate volumes or proportions of each): _____
sanitary wastewater

iii. Will the proposed action use any existing public wastewater treatment facilities? Yes No

If Yes:

• Name of wastewater treatment plant to be used: Oneida County Waste Water Treatment Plant

• Name of district: Town of Marcy

• Does the existing wastewater treatment plant have capacity to serve the project? Yes No

• Is the project site in the existing district? Yes No

• Is expansion of the district needed? Yes No

- Do existing sewer lines serve the project site? Yes No
- Will a line extension within an existing district be necessary to serve the project? Yes No

 If Yes:

- Describe extensions or capacity expansions proposed to serve this project: _____
laterals will be extended to the building. _____

iv. Will a new wastewater (sewage) treatment district be formed to serve the project site? Yes No
 If Yes:

- Applicant/sponsor for new district: _____
- Date application submitted or anticipated: _____
- What is the receiving water for the wastewater discharge? _____

v. If public facilities will not be used, describe plans to provide wastewater treatment for the project, including specifying proposed receiving water (name and classification if surface discharge or describe subsurface disposal plans):

vi. Describe any plans or designs to capture, recycle or reuse liquid waste: _____

e. Will the proposed action disturb more than one acre and create stormwater runoff, either from new point sources (i.e. ditches, pipes, swales, curbs, gutters or other concentrated flows of stormwater) or non-point source (i.e. sheet flow) during construction or post construction? Yes No
 If Yes:

i. How much impervious surface will the project create in relation to total size of project parcel?
 _____ Square feet or 9.5 acres (impervious surface)
 _____ Square feet or 17.33 acres (parcel size)

ii. Describe types of new point sources. Stormwater runoff will be directed to the site stormwater infiltration basin.

iii. Where will the stormwater runoff be directed (i.e. on-site stormwater management facility/structures, adjacent properties, groundwater, on-site surface water or off-site surface waters)?
Stormwater runoff will be directed to storm structures and on site stormwater infiltration basin.

- If to surface waters, identify receiving water bodies or wetlands: _____

- Will stormwater runoff flow to adjacent properties? Yes No

iv. Does the proposed plan minimize impervious surfaces, use pervious materials or collect and re-use stormwater? Yes No

f. Does the proposed action include, or will it use on-site, one or more sources of air emissions, including fuel combustion, waste incineration, or other processes or operations? Yes No
 If Yes, identify:

i. Mobile sources during project operations (e.g., heavy equipment, fleet or delivery vehicles)
The project will be constructed in phases & heavy construction equipment will be used for earth moving & road construction throughout the process.

ii. Stationary sources during construction (e.g., power generation, structural heating, batch plant, crushers)

iii. Stationary sources during operations (e.g., process emissions, large boilers, electric generation)

g. Will any air emission sources named in D.2.f (above), require a NY State Air Registration, Air Facility Permit, or Federal Clean Air Act Title IV or Title V Permit? Yes No
 If Yes:

i. Is the project site located in an Air quality non-attainment area? (Area routinely or periodically fails to meet ambient air quality standards for all or some parts of the year) Yes No

ii. In addition to emissions as calculated in the application, the project will generate:

- _____ Tons/year (short tons) of Carbon Dioxide (CO₂)
- _____ Tons/year (short tons) of Nitrous Oxide (N₂O)
- _____ Tons/year (short tons) of Perfluorocarbons (PFCs)
- _____ Tons/year (short tons) of Sulfur Hexafluoride (SF₆)
- _____ Tons/year (short tons) of Carbon Dioxide equivalent of Hydrofluorocarbons (HFCs)
- _____ Tons/year (short tons) of Hazardous Air Pollutants (HAPs)

h. Will the proposed action generate or emit methane (including, but not limited to, sewage treatment plants, landfills, composting facilities)? Yes No

If Yes:

i. Estimate methane generation in tons/year (metric): _____

ii. Describe any methane capture, control or elimination measures included in project design (e.g., combustion to generate heat or electricity, flaring): _____

i. Will the proposed action result in the release of air pollutants from open-air operations or processes, such as quarry or landfill operations? Yes No

If Yes: Describe operations and nature of emissions (e.g., diesel exhaust, rock particulates/dust): _____

j. Will the proposed action result in a substantial increase in traffic above present levels or generate substantial new demand for transportation facilities or services? Yes No

If Yes:

i. When is the peak traffic expected (Check all that apply): Morning Evening Weekend
 Randomly between hours of _____ to _____.

ii. For commercial activities only, projected number of truck trips/day and type (e.g., semi trailers and dump trucks): _____

iii. Parking spaces: Existing 0 Proposed 310 Net increase/decrease 310+/-

iv. Does the proposed action include any shared use parking? Yes No

v. If the proposed action includes any modification of existing roads, creation of new roads or change in existing access, describe:
Creation of new private access roads for phased flex space development

vi. Are public/private transportation service(s) or facilities available within ½ mile of the proposed site? Yes No

vii. Will the proposed action include access to public transportation or accommodations for use of hybrid, electric or other alternative fueled vehicles? Yes No

viii. Will the proposed action include plans for pedestrian or bicycle accommodations for connections to existing pedestrian or bicycle routes? Yes No

k. Will the proposed action (for commercial or industrial projects only) generate new or additional demand for energy? Yes No

If Yes:

i. Estimate annual electricity demand during operation of the proposed action: _____
TBD

ii. Anticipated sources/suppliers of electricity for the project (e.g., on-site combustion, on-site renewable, via grid/local utility, or other):
grid/local utility

iii. Will the proposed action require a new, or an upgrade, to an existing substation? Yes No

l. Hours of operation. Answer all items which apply.

i. During Construction:

- Monday - Friday: 7:00 AM - 5:00 PM
- Saturday: _____
- Sunday: _____
- Holidays: _____

ii. During Operations:

- Monday - Friday: 7:00 AM - 5:00 PM
- Saturday: _____
- Sunday: _____
- Holidays: _____

| | |
|--|--|
| <p>m. Will the proposed action produce noise that will exceed existing ambient noise levels during construction, operation, or both? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes:</p> <p>i. Provide details including sources, time of day and duration:</p> <p>_____</p> <p>_____</p> | |
| <p>ii. Will the proposed action remove existing natural barriers that could act as a noise barrier or screen? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Describe: _____</p> <p>_____</p> | |
| <p>n. Will the proposed action have outdoor lighting? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes:</p> <p>i. Describe source(s), location(s), height of fixture(s), direction/aim, and proximity to nearest occupied structures:</p> <p><u>Building mounted and pole mounted dark sky compliant fixture. Light does not extend past property line. Refer to Photometric Plan.</u></p> <p>_____</p> | |
| <p>ii. Will proposed action remove existing natural barriers that could act as a light barrier or screen? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Describe: _____</p> <p>_____</p> | |
| <p>o. Does the proposed action have the potential to produce odors for more than one hour per day? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If Yes, describe possible sources, potential frequency and duration of odor emissions, and proximity to nearest occupied structures: _____</p> <p>_____</p> <p>_____</p> | |
| <p>p. Will the proposed action include any bulk storage of petroleum (combined capacity of over 1,100 gallons) or chemical products 185 gallons in above ground storage or any amount in underground storage? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If Yes:</p> <p>i. Product(s) to be stored _____</p> <p>ii. Volume(s) _____ per unit time _____ (e.g., month, year)</p> <p>iii. Generally, describe the proposed storage facilities: _____</p> <p>_____</p> | |
| <p>q. Will the proposed action (commercial, industrial and recreational projects only) use pesticides (i.e., herbicides, insecticides) during construction or operation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If Yes:</p> <p>i. Describe proposed treatment(s):</p> <p>_____</p> <p>_____</p> <p>_____</p> | |
| <p>ii. Will the proposed action use Integrated Pest Management Practices? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> | |
| <p>r. Will the proposed action (commercial or industrial projects only) involve or require the management or disposal of solid waste (excluding hazardous materials)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If Yes:</p> <p>i. Describe any solid waste(s) to be generated during construction or operation of the facility:</p> <ul style="list-style-type: none"> • Construction: _____ tons per _____ (unit of time) • Operation : _____ tons per _____ (unit of time) <p>ii. Describe any proposals for on-site minimization, recycling or reuse of materials to avoid disposal as solid waste:</p> <ul style="list-style-type: none"> • Construction: _____ _____ • Operation: _____ _____ <p>iii. Proposed disposal methods/facilities for solid waste generated on-site:</p> <ul style="list-style-type: none"> • Construction: _____ _____ • Operation: _____ _____ | |

s. Does the proposed action include construction or modification of a solid waste management facility? Yes No
 If Yes:
 i. Type of management or handling of waste proposed for the site (e.g., recycling or transfer station, composting, landfill, or other disposal activities): _____
 ii. Anticipated rate of disposal/processing:
 • _____ Tons/month, if transfer or other non-combustion/thermal treatment, or
 • _____ Tons/hour, if combustion or thermal treatment
 iii. If landfill, anticipated site life: _____ years

t. Will the proposed action at the site involve the commercial generation, treatment, storage, or disposal of hazardous waste? Yes No
 If Yes:
 i. Name(s) of all hazardous wastes or constituents to be generated, handled or managed at facility: _____

 ii. Generally describe processes or activities involving hazardous wastes or constituents: _____

 iii. Specify amount to be handled or generated _____ tons/month
 iv. Describe any proposals for on-site minimization, recycling or reuse of hazardous constituents: _____

 v. Will any hazardous wastes be disposed at an existing offsite hazardous waste facility? Yes No
 If Yes: provide name and location of facility: _____

 If No: describe proposed management of any hazardous wastes which will not be sent to a hazardous waste facility:

E. Site and Setting of Proposed Action

E.1. Land uses on and surrounding the project site

a. Existing land uses.
 i. Check all uses that occur on, adjoining and near the project site.
 Urban Industrial Commercial Residential (suburban) Rural (non-farm)
 Forest Agriculture Aquatic Other (specify): _____
 ii. If mix of uses, generally describe:

b. Land uses and covertypes on the project site.

| Land use or Covertypes | Current Acreage | Acreage After Project Completion | Change (Acres +/-) |
|--|-----------------|----------------------------------|--------------------|
| • Roads, buildings, and other paved or impervious surfaces | | 9.5+/- | |
| • Forested | | | |
| • Meadows, grasslands or brushlands (non-agricultural, including abandoned agricultural) | 17.33 | 0 | 17.33 |
| • Agricultural (includes active orchards, field, greenhouse etc.) | | | |
| • Surface water features (lakes, ponds, streams, rivers, etc.) | | | |
| • Wetlands (freshwater or tidal) | | | |
| • Non-vegetated (bare rock, earth or fill) | | | |
| • Other Describe: <u>Lawn</u> | 0 | 8.96 | |

c. Is the project site presently used by members of the community for public recreation? Yes No
i. If Yes: explain: _____

d. Are there any facilities serving children, the elderly, people with disabilities (e.g., schools, hospitals, licensed day care centers, or group homes) within 1500 feet of the project site? Yes No
If Yes,
i. Identify Facilities: _____

e. Does the project site contain an existing dam? Yes No
If Yes:
i. Dimensions of the dam and impoundment:
• Dam height: _____ feet
• Dam length: _____ feet
• Surface area: _____ acres
• Volume impounded: _____ gallons OR acre-feet
ii. Dam's existing hazard classification: _____
iii. Provide date and summarize results of last inspection: _____

f. Has the project site ever been used as a municipal, commercial or industrial solid waste management facility, or does the project site adjoin property which is now, or was at one time, used as a solid waste management facility? Yes No
If Yes:
i. Has the facility been formally closed? Yes No
• If yes, cite sources/documentation: _____
ii. Describe the location of the project site relative to the boundaries of the solid waste management facility: _____

iii. Describe any development constraints due to the prior solid waste activities: _____

g. Have hazardous wastes been generated, treated and/or disposed of at the site, or does the project site adjoin property which is now or was at one time used to commercially treat, store and/or dispose of hazardous waste? Yes No
If Yes:
i. Describe waste(s) handled and waste management activities, including approximate time when activities occurred: _____

h. Potential contamination history. Has there been a reported spill at the proposed project site, or have any remedial actions been conducted at or adjacent to the proposed site? Yes No
If Yes:
i. Is any portion of the site listed on the NYSDEC Spills Incidents database or Environmental Site Remediation database? Check all that apply: Yes No
 Yes – Spills Incidents database Provide DEC ID number(s): _____
 Yes – Environmental Site Remediation database Provide DEC ID number(s): _____
 Neither database
ii. If site has been subject of RCRA corrective activities, describe control measures: _____

iii. Is the project within 2000 feet of any site in the NYSDEC Environmental Site Remediation database? Yes No
If yes, provide DEC ID number(s): _____

iv. If yes to (i), (ii) or (iii) above, describe current status of site(s): _____

v. Is the project site subject to an institutional control limiting property uses? Yes No

- If yes, DEC site ID number: _____
- Describe the type of institutional control (e.g., deed restriction or easement): _____
- Describe any use limitations: _____
- Describe any engineering controls: _____
- Will the project affect the institutional or engineering controls in place? Yes No
- Explain: _____

E.2. Natural Resources On or Near Project Site

a. What is the average depth to bedrock on the project site? _____ >6 feet

b. Are there bedrock outcroppings on the project site? Yes No
 If Yes, what proportion of the site is comprised of bedrock outcroppings? _____ %

c. Predominant soil type(s) present on project site: Kendaia Silt loam 100 %
 _____ %
 _____ %

d. What is the average depth to the water table on the project site? Average: 5-15 feet

e. Drainage status of project site soils: Well Drained: _____ % of site
 Moderately Well Drained: _____ % of site
 Poorly Drained 100 % of site

f. Approximate proportion of proposed action site with slopes: 0-10%: 100 % of site
 10-15%: _____ % of site
 15% or greater: _____ % of site

g. Are there any unique geologic features on the project site? Yes No
 If Yes, describe: _____

h. Surface water features.

i. Does any portion of the project site contain wetlands or other waterbodies (including streams, rivers, ponds or lakes)? Yes No

ii. Do any wetlands or other waterbodies adjoin the project site? Yes No
 If Yes to either *i* or *ii*, continue. If No, skip to E.2.i.

iii. Are any of the wetlands or waterbodies within or adjoining the project site regulated by any federal, state or local agency? Yes No

iv. For each identified regulated wetland and waterbody on the project site, provide the following information:

- Streams: Name _____ Classification _____
- Lakes or Ponds: Name _____ Classification _____
- Wetlands: Name _____ Approximate Size _____
- Wetland No. (if regulated by DEC) _____

v. Are any of the above water bodies listed in the most recent compilation of NYS water quality-impaired waterbodies? Yes No
 If yes, name of impaired water body/bodies and basis for listing as impaired: _____

i. Is the project site in a designated Floodway? Yes No

j. Is the project site in the 100-year Floodplain? Yes No

k. Is the project site in the 500-year Floodplain? Yes No

l. Is the project site located over, or immediately adjoining, a primary, principal or sole source aquifer? Yes No
 If Yes:

i. Name of aquifer: Principal Aquifer

m. Identify the predominant wildlife species that occupy or use the project site: _____
 deer, birds, rodents, small mammals _____

n. Does the project site contain a designated significant natural community? Yes No
 If Yes:
 i. Describe the habitat/community (composition, function, and basis for designation): _____

 ii. Source(s) of description or evaluation: _____
 iii. Extent of community/habitat:
 • Currently: _____ acres
 • Following completion of project as proposed: _____ acres
 • Gain or loss (indicate + or -): _____ acres

o. Does project site contain any species of plant or animal that is listed by the federal government or NYS as endangered or threatened, or does it contain any areas identified as habitat for an endangered or threatened species? Yes No
 If Yes:
 i. Species and listing (endangered or threatened): _____

p. Does the project site contain any species of plant or animal that is listed by NYS as rare, or as a species of special concern? Yes No
 If Yes:
 i. Species and listing: _____

q. Is the project site or adjoining area currently used for hunting, trapping, fishing or shell fishing? Yes No
 If yes, give a brief description of how the proposed action may affect that use: _____

E.3. Designated Public Resources On or Near Project Site

a. Is the project site, or any portion of it, located in a designated agricultural district certified pursuant to Agriculture and Markets Law, Article 25-AA, Section 303 and 304? Yes No
 If Yes, provide county plus district name/number: _____

b. Are agricultural lands consisting of highly productive soils present? Yes No
 i. If Yes: acreage(s) on project site? _____
 ii. Source(s) of soil rating(s): _____

c. Does the project site contain all or part of, or is it substantially contiguous to, a registered National Natural Landmark? Yes No
 If Yes:
 i. Nature of the natural landmark: Biological Community Geological Feature
 ii. Provide brief description of landmark, including values behind designation and approximate size/extent: _____

d. Is the project site located in or does it adjoin a state listed Critical Environmental Area? Yes No
 If Yes:
 i. CEA name: _____
 ii. Basis for designation: _____
 iii. Designating agency and date: _____

| | |
|---|---|
| e. Does the project site contain, or is it substantially contiguous to, a building, archaeological site, or district which is listed on the National or State Register of Historic Places, or that has been determined by the Commissioner of the NYS Office of Parks, Recreation and Historic Preservation to be eligible for listing on the State Register of Historic Places? If Yes: i. Nature of historic/archaeological resource: <input type="checkbox"/> Archaeological Site <input type="checkbox"/> Historic Building or District ii. Name: _____ iii. Brief description of attributes on which listing is based: _____ | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| f. Is the project site, or any portion of it, located in or adjacent to an area designated as sensitive for archaeological sites on the NY State Historic Preservation Office (SHPO) archaeological site inventory? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| g. Have additional archaeological or historic site(s) or resources been identified on the project site? If Yes: i. Describe possible resource(s): _____ ii. Basis for identification: _____ | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| h. Is the project site within five miles of any officially designated and publicly accessible federal, state, or local scenic or aesthetic resource? If Yes: i. Identify resource: <u>Lock 20 State Canal Park</u> ii. Nature of, or basis for, designation (e.g., established highway overlook, state or local park, state historic trail or scenic byway, etc.): _____ iii. Distance between project and resource: _____ miles. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| i. Is the project site located within a designated river corridor under the Wild, Scenic and Recreational Rivers Program 6 NYCRR 666? If Yes: i. Identify the name of the river and its designation: _____ ii. Is the activity consistent with development restrictions contained in 6NYCRR Part 666? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No |

F. Additional Information

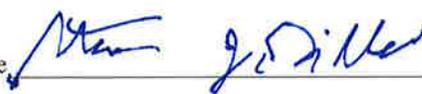
Attach any additional information which may be needed to clarify your project.

If you have identified any adverse impacts which could be associated with your proposal, please describe those impacts plus any measures which you propose to avoid or minimize them.

G. Verification

I certify that the information provided is true to the best of my knowledge.

Applicant/Sponsor Name Mohawk Valley EDGE Date Dec 5, 2023

Signature  Title President



| | |
|---|---|
| B.i.i [Coastal or Waterfront Area] | No |
| B.i.ii [Local Waterfront Revitalization Area] | No |
| C.2.b. [Special Planning District] | Yes - Digital mapping data are not available for all Special Planning Districts. Refer to EAF Workbook. |
| C.2.b. [Special Planning District - Name] | NYS Heritage Areas: Mohawk Valley Heritage Corridor |
| E.1.h [DEC Spills or Remediation Site - Potential Contamination History] | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.1.h.i [DEC Spills or Remediation Site - Listed] | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.1.h.ii [DEC Spills or Remediation Site - Environmental Site Remediation Database] | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.1.h.iii [Within 2,000' of DEC Remediation Site] | No |
| E.2.g [Unique Geologic Features] | No |
| E.2.h.i [Surface Water Features] | No |
| E.2.h.ii [Surface Water Features] | No |
| E.2.h.iii [Surface Water Features] | No |
| E.2.h.v [Impaired Water Bodies] | No |
| E.2.i. [Floodway] | No |
| E.2.j. [100 Year Floodplain] | No |
| E.2.k. [500 Year Floodplain] | No |
| E.2.l. [Aquifers] | Yes |
| E.2.l. [Aquifer Names] | Principal Aquifer |
| E.2.n. [Natural Communities] | No |

| | |
|--|--|
| E.2.o. [Endangered or Threatened Species] | No |
| E.2.p. [Rare Plants or Animals] | No |
| E.3.a. [Agricultural District] | No |
| E.3.c. [National Natural Landmark] | No |
| E.3.d [Critical Environmental Area] | No |
| E.3.e. [National or State Register of Historic Places or State Eligible Sites] | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.3.f. [Archeological Sites] | Yes |
| E.3.i. [Designated River Corridor] | No |



Town of Marcy
8801 Paul Becker Road
Marcy, New York 13403
(315) 768-4800 (phone) | (315) 768-1305(fax)
www.townofmarcy.org



November 17, 2023

Nicholas Bruno
Vice President Business Development
Mohawk Valley EDGE
584 Phoenix Drive
Rome, NY 13441

Re: Flex Space Development, "Farmer Parcel" at Marcy Nanocenter

Dear Mr. Bruno,

This letter is to confirm the town's approval of this proposed development.

The subject site was officially added to the Marcy Nanocenter in 2015, with Town Board approval to amend the PD Planned Development district to include it. The approval was made at the November 19, 2015, meeting, along with the SEQR Negative Declaration. (<https://bit.ly/3G4K4qB>)

On February 22, 2021, a site plan review application was submitted to the Marcy Planning Board under the PD procedures for the proposed development in its current form. The Planning Board submitted copies to involved and interested agencies pursuant to Municipal section 239 review regulations and SEQR. After review of the plans, agency comments and a public hearing, the Planning Board determined that the project was consistent with the SEQR findings of the lead agency (Town Board) for the Marcy Nanocenter, and approved the proposed site plan.

Subsequently, the Planning Board approved an increase in phase 1 of the development (from 50,000 to 60,000 GSF) on June 27, 2022. The Planning Board also approved a schedule extension and de minimis revision in the site plan on November 13, 2023.

The project is currently compliant with town regulations and eligible for a building permit.

Sincerely,

Robert Lambe
Marcy Planning Board Chair

Cc: Marcy Codes Department



Town of Marcy
8801 Paul Becker Road
Marcy, New York 13403
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June 2, 2021

Nick Bruno
Associate Vice President of Business Development
Mohawk Valley EDGE
584 Phoenix Drive
Rome, NY 13441

Re: Marcy Nanocenter Farmer Parcel/Flex Space project

Dear Mr. Bruno,

This letter is to confirm the approval of the phase 1 site plan for the referenced project by the Town of Marcy Planning Board.

On February 22, 2021, the Planning Board determined that the proposed site development plan is consistent with the approved Marcy Nanocenter site plan as amended in 2015 with SEQR findings by the lead agent: Marcy Town Board. There are no anticipated significant adverse impacts because the project is within the allowed thresholds and the required infrastructure improvements have been substantially completed including road access, water main, sewer main, and overall site storm water management and wetlands mitigation. Mitigation measures for site-specific and construction phase impacts will be addressed in the conditions of approval.

On April 12, 2021, the Planning Board approved the Site Plan for the initial 50,000 SF of Flex Space Development with the condition that screening be provided along the northern portion of this site.

Please contact me with any questions.

Sincerely,

A handwritten signature in blue ink that reads "Robert Lambe".

Robert Lambe, Chair
Marcy Planning Board

RESOLUTION OF THE ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY DETERMINING THAT ACTION TO PROVIDE FINANCIAL ASSISTANCE RELATING TO A PROJECT FOR THE BENEFIT OF ECONOMIC DEVELOPMENT GROWTH ENTERPRISES CORPORATION (FLEX SPACE FACILITY) WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT

WHEREAS, Economic Development Growth Enterprises Corporation, on behalf of itself and its principals (collectively, the "Company" and sometimes referred to as "EDGE"), or an entity to be formed on behalf of any of the foregoing, has applied to the Agency to enter into a transaction in which the Agency will assist in construction of a 60,261± square foot single story Flex Space building including loading docks and all utilities and infrastructure to support the same (collectively, the "Improvements") on a 17± acre portion of a parcel of land situate at 2049 Wafer Loop Road in the Town of Marcy, Oneida County, New York (the "Land"); and acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), to provide light manufacturing, office, labs/technology and logistics/warehousing space for supply chain companies for the purpose of supporting the semiconductor and advanced electronics industry and in furtherance of the master plan for the Marcy Nanocenter site (the Land, the Improvements and the Equipment is referred to collectively as the "Facility" and the construction and equipping of the Improvements is referred to as the "Project"); and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations"), the Agency desires to determine whether the construction and equipping of the Facility may have a "significant effect on the environment" (as said quoted term is defined in the SEQR Act and the Regulations) and therefore require the preparation of an environmental impact statement; and

WHEREAS, to aid the Agency in determining whether the acquisition, construction, and equipping of the Facility may have a significant effect upon the environment, the Agency has reviewed documentation including (1) the Draft Generic Environmental Impact Statement (DGEIS), Volume I and II, dated October 2000, which was accepted by the Town of Marcy Town Board ("Town Board") on October 16, 2000; (2) the Final Generic Environmental Impact Statement (FGEIS), dated March 2001, which was accepted by the Town Board on March 22, 2001; (3) the NYS Office of Parks, Recreation and Historic Preservation letter dated February 16, 2001; (4) the NYS Office of Parks, Recreation and Historic Preservation letter dated December 4, 2012; (5) a Resolution of the Town Board adopted December 5, 2013; (6) a Resolution of the Town Board adopted November 19, 2015; (7) a Part 1 EAF prepared by the Company

dated February 8, 2021 and submitted to the Town of Marcy Planning Board (the "Planning Board") in support of the Company's request for Site Plan Approval; (8) a letter from the Planning Board dated June 2, 2021 confirming Site Plan Approval; (9) a letter from the Planning Board dated November 17, 2023 regarding its supplemental review of the change in scope of the Project as it pertained to Site Plan approval; and (10) a Part 1 EAF submitted by the Company to the Agency dated December 4, 2023 relating to the Project, all of which are on file at the office of the Agency, and such other documentation as the Agency deemed appropriate; and

WHEREAS, pursuant to the Regulations, the Agency has examined such documentation in order to make a determination as to the potential environmental significance of the Facility.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Based on an examination of the Application, the documentation referenced above, including the DGEIS and the FGEIS, and based further upon the Agency's knowledge of the area surrounding the Facility and such further investigation of the Facility and its environmental effects as the Agency has deemed appropriate, the Agency makes the following findings and determinations with respect to the Facility:

- (A) The Facility is as described in the Application;
- (B) The Facility constitutes a "Type I Action" (as defined in the Regulations);
- (C) No potentially significant impacts on the environment are noted in the documents pertaining to the Facility, including the DGEIS and the FGEIS, and none are known to the Agency;
- (D) The Facility will not result in (i) substantial adverse change in existing air quality; ground or surface water quality or quantity, traffic or noise levels; a substantial increase in solid waste production; or a substantial increase in potential for erosion, flooding, leaching or drainage problems; (ii) the removal or destruction of large quantities of vegetation or fauna; substantial interference with the movement of a resident or migratory fish or wildlife species; impacts on a significant habitat area; substantial adverse impacts on threatened or endangered species of animal or plant, or the habitat of such species; or (iii) other significant adverse impacts to natural resources;

(E) The Facility will not affect a critical environmental area as designated pursuant to 6 NYCRR 617.14(g);

(F) The Facility will not conflict with the community's current plans or goals as officially approved or adopted;

(G) The Facility will not result in the impairment of the character or quality of important historical, archeological, architectural, or aesthetic resources or of existing community or neighborhood character;

(H) The Facility will not result in a major change in the use of either the quantity or type of energy;

(I) The Facility will not result in the creation of a hazard to human health;

(J) The Facility will not result in a substantial change in the use, or intensity of use, of land including architectural, open space or recreational resources, or in its capacity to support existing uses;

(K) The Facility will not result in encouraging or attracting of a large number of people to a place or places for more than a few days, compared to the number of people who would come to such place absent the action;

(L) The Facility will not result in the creation of a material demand for other actions that would result in one or more of the above consequences;

(M) The Facility will not result in changes in two or more elements of the environment, no one of which has a significant impact on the environment, but when considered together result in a substantial adverse impact on the environment; and

(N) The Facility will not result in two or more related actions undertaken, funded or approved by an agency, none of which has or would have a significant impact on the environment, but when considered cumulatively would meet one or more of the criteria in 6 NYCRR Section 617.7(c).

Section 2. The Agency hereby determines that the Facility will not have a significant impact on the environment and the Agency will not require the preparation of an environmental impact statement with respect to the Facility. The Agency has

prepared a negative declaration with respect to the Facility which describes the basis for its decision that the Facility will not have a significant impact on the environment.

Section 3. The Executive Director of the Agency is hereby directed to file in the Agency's records the negative declaration with respect to the Facility and to file and distribute the negative declaration in accordance with the Regulations..

Section 4. This resolution shall take effect immediately.

[Remainder of page left blank intentionally]

STATE OF NEW YORK)
 : SS.:
COUNTY OF ONEIDA)

I, the undersigned Secretary of the Oneida County Industrial Development Agency, DO HEREBY CERTIFY THAT:

I have compared the foregoing copy of a resolution of the Oneida County Industrial Development Agency (the "Agency") with the original thereof on file in the office of the Agency, and the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.

Such resolution was passed at a meeting of the Board of Directors of the Agency duly convened in public session on December 8, 2023 at 8:00 a.m. local time, at 584 Phoenix Drive, Rome, New York at which the following members were:

Members Present:

Members Present – WebEx:

EDGE Staff Present:

EDGE Staff Present – WebEx:

Other Attendees:

Other Attendees – WebEx:

The question of the adoption of the foregoing resolution was duly put to vote, with the members voting as follows:

| | Aye | Nay | Abstain |
|--------------------|-------|-------|---------|
| Ferris Betrus | _____ | _____ | _____ |
| Michael Fitzgerald | _____ | _____ | _____ |
| David Grow | _____ | _____ | _____ |

Mary Faith Messenger

Kirk Hinman

Eugene Quadraro

Steve Zogby

and, therefore, the resolution was declared duly adopted.

DRAFT

I FURTHER CERTIFY that (i) all directors of the Agency had due notice of said meeting, (ii) pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand as of the _____ day of December 2023.

Shawna Papale, Secretary