

Oneida County Industrial Development Agency Project Memo

Date: October 17, 2019

Applicant: CREE and Mohawk Valley EDGE

Project Name: CREE Silicon Carbide FAB

Project Address: Marcy Nanocenter (5737 Edic Road, Town of Marcy) 13403 (est. 55.25± site)

Cree, Inc. is a powerhouse semiconductor company focused on silicon carbide and GaN technologies. The company's Wolfspeed power and radio frequency (RF) semiconductors and lighting class LEDs lead the industry. The company plans to build a state of the art 200 MM wafer fabrication plant to support the substantial growth in their target markets. The other target market is the forthcoming 5G infrastructure rollout which is critically dependent upon GaN HEMT devices which they supply to end customers at various points of integration.

Current building(s) planned: Four buildings with 570,000± - 675,000± square feet of floor area consisting of (a) a three-story administrative building measuring 75,000± square feet; (b) a three-story, 480,000± square foot ballroom style wafer fabrication building with total cleanroom space measuring 100,000 - 135,000 square feet; (c) a HPM Warehouse, (d) a single-story Central Utilities Building measuring 70,000± square feet, and (e) all utilities and infrastructure to support the same; and acquisition and installation of furniture, fixtures and equipment in the improvements. The construction of all four buildings will be steel, concrete, brick and mortar. Construction will start in Spring 2020 with a planned completion of December 2023. Estimated construction jobs: 700-1,000.

JOBS:

The Company represented that it will create the following full time equivalent (“FTE”) positions at the Facility, as a result of undertaking the Facility (the “Employment Obligation”). The Financial Assistance is conditioned upon the Company maintaining the Employment Obligation for ten (10) years consistent with IDA Recapture Policy. Assistance.

Year 1: 37 Year 5: 414
Year 2: 270 Year 6: 488
Year 3: 321 Year 7: 564
Year 4: 350 Year 8 and thereafter: 614

Project Costs – CREE Only

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| NEW Building(s) CONSTRUCTION | \$ 479,049,690 |
| Installation Costs | \$ 20,000,000 |
| Machinery & Equipment (other than furniture) | \$ 365,000,000 |
| Furniture & Fixtures | \$ 15,000,000 |
| Architectural & Engineering | \$ 3,000,000 |
| Legal Fees (applicant, IDA, bank, other counsel) | \$ 105,000 |
| Permits | \$ 493,310 |
| Other | \$ 122,000,000 |
| Agency Fee | \$ 352,000 |
| Total Cost of Project | \$ 1,005,000,000 |

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OCIDA Benefit Values (est.)

Mortgage Tax Exemption: \$ 115,000 (EDGE mortgage on PIF)
Sales Tax Exemption; \$ **22,000,000** (but not to exceed \$ 36,093,750)
Total Benefits: \$ **22,115,000**

PILOT Payments to be Generated: \$17,653,613.00 (10 yrs) ~~\$69,947,356.00 (49 yrs)~~

UPDATED: \$74,878,362.88 (49 yrs)