

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

OCIDA



REQUEST TO AMEND PREVIOUSLY SUBMITTED 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

Please also deliver an electronic copy of all.

All applications must be submitted at least 10 days prior to meeting.

Project Name Brown Field Project

Applicant Name Special Metals Corp

Date of Original Submission May 17, 2017

Date of AMENDED Submission September 18, 2018

Number (to be provided by the agency) _____

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.

This project is the result of several meetings with NYS that transpired in Q1CY18 where our original Brownfield remediation plans were rejected and the level of clean up as dictated by NYS was broadened and better defined. New Hartford Brownfield project is due in large part to the presence of PCBs, Nickel, and Chromium found in the creek bed, floodplain, and wetland areas, most of this is off-site. In the approved plan, all of these areas will be excavated to remove the PCBs, Nickel, and Chromium and the area will be remediated. Remediation will include replacing soil and vegetation that is removed in the process and proper disposal of the waste.

Reasons for Project

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

In Q1CY18 where our Brownfield remediation plans were rejected and the level of clean up as dictated by NYS was broadened and better defined. As a part of these meetings, NYS has finally approved our Brownfield remediation plan. As part of this approval, our project costs significantly increased. The costs associated with this project are due in large part to the presence of PCBs, Nickel, and Chromium found in the creek bed, floodplain, and wetland areas, most of this is off-site. As this project enters an aggressive phase of remediation, to not only clean up the environment, but invest in projects to eliminate future contamination, we find the need for sales tax relief on this project.

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

We are improving our own land, as well as the properties adjacent to us, but at a significant cost. We believe that this is the right thing to do and in partnership, we are asking the Agency for NYS sales tax relief to defray some of those costs. We appreciate the support that the Agency afforded us in our original application on our capital expenditures/investment, and we hope that this can be extended to our operating costs related to this environmental clean up.

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
- Construction of a new building
- Acquisition of machinery and/or equipment
- Installation of machinery and/or equipment
- Other (specify) Environmental cleanup

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.

Payment In Lieu of Real Property Taxes (PILOT)
_____ (Savings due to PILOT) \$ _____

Mortgage Tax Exemption (.75%) \$ _____
Amount of mortgage: \$ _____

Sales and Use Tax Exemption ** (8.75%) \$ 250,000
Value of goods/services to be exempted from sales tax: \$ 6,303,961

Issuance by the Agency of Tax Exempt Bonds \$ _____

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.

**** 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 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 IX: Estimated Project Cost and Financing - form will auto sum

11(a) List the costs necessary for the construction, acquisition or renovation of the facility.

	5/17/2017	9/18/2018	Combined
Acquisition of Land (if vacant)	\$	\$	\$
Acquisition of Existing Building(s)	\$	\$	\$
Renovation Costs of Existing Building(s)	\$ 4,700,000	\$	\$4,700,000.00
New Construction of Buildings	\$	\$	\$
Machinery and Equipment (other than furniture costs)	\$ 13,138,000	\$	\$ 13,138,000.00
Fixtures	\$ 100,000	\$	\$ 100,000.00
Installation Costs	\$	\$	\$
Fees & Permits (other than your own broker & legal fees)	\$	\$	\$
Legal Fees (IDA legal fees, Applicant legal fees)	\$	\$	\$
Architectural/Engineering	\$	\$	\$
Interest on Financing Charges	\$	\$	\$
Other (specify) Environmental Cleanup	\$ 500	\$6,303,961	\$ 6,304,461.00
Subtotal	\$ 17,938,500	\$6,303,961	\$24,242,461.00
Agency Fee ¹	\$ 89,692.50	\$ 0*	\$ 89,692.50
Total Project Cost	\$ 18,028,192.50		\$ 24,332,153.50

* IDA agrees to waive Agency Fee for Brownfield Project on the condition that that the company completes the Facility and the Brownfield Facility as presented to the IDA.

¹Agency Fee amount to be placed on this line (see Page 25 of original application for fee schedule)

REPRESENTATIONS AND CERTIFICATION BY APPLICANT

The undersigned requests that the attached materials be submitted as an amendment to the Applicant's original Application for Financial Assistance for review to the Oneida County Industrial Development Agency (the "Agency") and its Board of Directors.

Approval of the modifications to the Application can be granted solely by this Agency's Board of Directors. The Agency reserves the right to request Applicant complete a full Application for Financial Assistance if, after reviewing the attached materials, the Agency determines one is required to properly evaluate the Applicant's request. 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. **The Applicant has reviewed its original Application for Financial Assistance and confirms all information provided therein is true and correct, except as modified by the attached materials.**

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

Jonelle Baskin-Kelley, being first duly sworn, deposes and says:

1. That I am the Operations Controller (Corporate Office) of Special Metals Corp (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 Amendment to Application and the contents of the entire Application as modified by this Amendment to Application are true, accurate and complete.

Jonelle Baskin-Kelley 12/19/18
(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury
this 19th day of December, 2018.

Melissa A. Sporetello
(Notary Public)

MELISSA SPORTELLO
Notary Public in the State of New York
Qualified in Oneida County 01SP6094764
My Commission Expires June 23, 20 19

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: _____

Return the original signed and notarized application and two copies to: **Oneida County Industrial Development Agency (OCIDA)**, 584 Phoenix Drive, Rome, New York 13441-1405, Attn.: Shawna M. Papale, Executive Director. In addition, please send an electronic version of the application (signed), and SEQR form (signed), to spapale@mvedge.org.