Oneida County Industrial Development Project Memo

Date: September 25, 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 Jobs to be created: 614 (over 8-10 years) **Construction Jobs**: 700-1000

Project Costs – CREE Only

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

OCIDA Benefit Values (est.)

Real Property Taxes Exemption: $17,653,613.00 (10 yrs) $69,947,356.00 (49 yrs)

Mortgage Tax Exemption: $115,000.00 (EDGE mortgage on PIF)

Sales Tax Exemption; $32,812,500.00

Total: $54,361,410.96 (10 yrs) $102,874,856.00 (49 yrs)

Transcript Document No. [ ]

Inducement Resolution
Cree, Inc./EDGE Facility

RESOLUTION OF THE ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING CREE, INC., THE PRINCIPALS OF CREE, INC., 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, "EDGE"), and Cree, Inc., on behalf of itself and its principals (collectively, the "Company"), 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 the (i) acquisition of a 55.25± acre parcel of land situate at Edic Road in the Town of Marcy, Oneida County, New York (the "Land"), (ii) the construction on the Land of 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 (collectively, the "Improvements"); and (iii) acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), all for the purpose of providing a state of the art wafer fabrication plant to support the substantial growth of the Company in its target markets (the Land, the Improvements and the Equipment is referred to collectively as the "Facility" and the construction, renovation and equipping of the Improvements is referred to as the "Project"); and

WHEREAS, the State of New York through the State University of New York Polytechnic Institute (the "State") owns a 53.78± acre portion of the Land (the "State Land") and leases the State Land to Fort Schuyler Management Corporation ("FSMC") pursuant to a Ground Lease (the "FSMC Ground Lease"); and

WHEREAS, FSMC will ground lease the State Land to EDGE pursuant to a Second Ground Sublease (the "EDGE Ground Sublease"); and

WHEREAS, Economic Development Growth Enterprises Corporation ("EDGE") owns a 1.47± acre portion of the Land (the "EDGE Land"); and

WHEREAS, EDGE will sublease 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 EDGE pursuant to a Leaseback Agreement (the "Leaseback Agreement"); and

WHEREAS, EDGE will ground sublease the Facility to the Company pursuant to a Third Ground Sublease (the "Company Ground Sublease"); and

WHEREAS, the Company will lease that Equipment purchased by the Company (the "Company Equipment") to the Agency, and the Agency will lease the Company Equipment back to the Company pursuant to an Equipment Leaseback Agreement (the "Equipment Leaseback Agreement"); 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 (i) to EDGE in the form of exemptions from mortgage recording taxes and (ii) to the Company in the form of exemptions from sales and use taxes on materials and/or the Company 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 Economic Development Growth Enterprises Corporation (the "Allocation Agreement"), conditioned upon the Company maintaining 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 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 estimated at $32,812,500.00 but not to exceed $36,093,750.00; and

Mortgage recording tax exemption estimated at $115,000.00 but not to exceed $126,500.000.

In accordance with the Allocation Agreement, the Company shall pay approximately $69,947,356.00 in real property taxes over 49 years; and

WHEREAS, the Company represented that it will create 321 full time equivalent ("FTE") positions at the Facility prior to the conclusion of the third year of the Lease Term, 488 FTE positions at the Facility prior to the conclusion of the sixth year of the Lease Term, 614 FTE positions at the Facility prior to the conclusion of the eighth year of the Lease Term, and maintain all for the duration of the Lease Term as a result of undertaking the Facility (the "Employment Obligation"), and the Financial Assistance is conditioned upon the Company maintaining the Employment Obligation for the Lease Term and failure to do so may result in the termination or recapture of Financial Assistance; 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 EDGE and the Company and to representations by EDGE and the Company that the proposed lease-leaseback transaction, is either an inducement to the Company to maintain and expand the Facility in the County or is necessary to maintain the competitive position of the Company 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 issuing its Statement of Findings and 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 acquisition, 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 acquisition, construction and equipping of the Facility, as reflected in EDGE's and 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 among the Agency, EDGE and the Company setting forth the undertakings of the Agency, EDGE 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, the Agency shall assist EDGE and the Company in its acquisition, 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. 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. 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 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 EDGE and 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.

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 September 27, 2019 at eight a.m., local time, at Rome, New York which the following members were:

Members Present:

Staff Present:

Others Present**:**

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

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.

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 _____ 2019.

_____
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 October 2019 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, "EDGE"), and Cree, Inc., on behalf of itself and its principals (collectively, the "Company"), 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 the (i) acquisition of a 55.25± acre parcel of land situate at Edic Road in the Town of Marcy, Oneida County, New York (the "Land"), (ii) the construction on the Land of 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 (collectively, the "Improvements"); and (iii) acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), all for the purpose of providing a state of the art wafer fabrication plant to support the substantial growth of the Company in its target markets (the Land, the Improvements and the Equipment is referred to collectively as the "Facility" and the construction, renovation and equipping of the Improvements is referred to as the "Project"). The Facility will be initially operated by the Company.

The Agency contemplates it will provide financial assistance (i) to EDGE in the form of exemptions from mortgage recording taxes and (ii) to the Company in the form of 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 Economic Development Growth Enterprises Corporation, conditioned upon the Company maintaining 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: September __, 2019 By:/s/ Shawna M. Papale, Executive Director

EXHIBIT B

MINUTES OF PUBLIC HEARING

Oneida County Industrial Development Agency
2019 Real Estate Lease
EDGE/Cree, Inc. Facility

1. Shawna Papale, Executive Director of the Oneida County Industrial Development Agency (the "Agency"), called the hearing to order.

2. Ms. Papale, also being the Secretary of the Agency, recorded the minutes of the hearing.

3. Ms. Papale then described the proposed project and related financial assistance as follows:

> Economic Development Growth Enterprises Corporation, on behalf of itself and its principals (collectively, "EDGE"), and Cree, Inc., on behalf of itself and its principals (collectively, the "Company"), 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 the (i) acquisition of a 55.25± acre parcel of land situate at Edic Road in the Town of Marcy, Oneida County, New York (the "Land"), (ii) the construction on the Land of 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 (collectively, the "Improvements"); and (iii) acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), all for the purpose of providing a state of the art wafer fabrication plant to support the substantial growth of the Company in its target markets (the Land, the Improvements and the Equipment is referred to collectively as the "Facility" and the construction, renovation and equipping of the Improvements is referred to as the "Project"). The Facility will be initially operated by the Company.
>
> The Agency contemplates it will provide financial assistance (i) to EDGE in the form of exemptions from mortgage recording taxes and (ii) to the Company in the form of 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 Economic Development Growth Enterprises Corporation, conditioned upon the Company maintaining 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.

4. The Chairman 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. The Chairman then asked if there were any further comments, and, there being none, the hearing was closed at ____ a.m.

_____
Shawna Papale, Secretary

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 October __, 2019 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 _____, 2019.

_____
Secretary

EXHIBIT C

_____, 2019

Cree, Inc.
4600 Silicon Drive
Durham, NC 27703

RE: *Oneida County Industrial Development Agency*
2019 Real Estate Lease (EDGE/Cree Facility)

Ladies and Gentlemen:

Pursuant to a resolution duly adopted on September 27, 2019, Oneida County Industrial Development Agency (the "Agency") appointed Cree, Inc., and/or an entity formed or to be formed on its behalf (collectively, the "Company") its agent in connection with a transaction in which the Agency will assist in (i) acquisition of a 55.25± acre parcel of land situate at Edic Road in the Town of Marcy, Oneida County, New York (the "Land"), (ii) the construction on the Land of 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 (collectively, the "Improvements"); and (iii) acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), all for the purpose of providing a state of the art wafer fabrication plant to support the substantial growth of the Company in its target markets (the Land, the Improvements and the Equipment is referred to collectively as the "Facility" and the construction, renovation and equipping of the Improvements is referred to as the "Project"). The Facility will be initially operated and/or managed by the Company.

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 "**Cree, Inc. 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) September 27, 2020, 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 renovation and equipping of the Facility is estimated at $32,812,500.00; the value of sales tax exemptions authorized by the Agency is not to exceed $36,093,750.00. The Agency is required by law to recapture any New York State sales tax exemptions claimed by the Company that exceed $36,093,750.00. The Agency is required by law to recapture any New York State sales tax exemptions claimed by the Company (a) that

exceed $100,000.00 for purchases made between September 27, 2019 and [PUBLIC HEARING DATE] or (b) that exceed $36,093,750.00 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:

CREE, INC.

By: _____
Name:
Title:

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY
OCIDA

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

A non-refundable application fee of $500.00 must be submitted at the time of application along with a $1,000 commitment fee; the $1,000 commitment fee will be applied to closing fees.

*Please submit the original and two (2) copies of the **signed and notarized** application, and **signed** SEQR form with the above fees. Cost benefit will be completed based on information from this application.*

Please also deliver an electronic copy of all.

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

Project Apollo/ Economic Development Growth Enterprises

Project Name Number (to be provided by the agency)

Date of Submission

Note to Applicant:

The information requested by this application is necessary to determine the eligibility of your project for Agency benefits. Please answer **all** questions, inserting "none" or "not applicable" where appropriate. If you are providing an estimate, please indicate by inserting "est" after the figure. Attach additional sheets if more space is needed for a response than is provided.

Return the original signed and notarized application and two copies with a check in the amount of $1500.00 made payable to: **Oneida County Industrial Development Agency (OCIDA)**, 584 Phoenix Drive, Rome, New York 13441-1405, Attn.: Shawna M. Papale, Executive Director. $1000 will be applied at closing against the IDA legal fees. In addition, an electronic version of the application (signed), andSEQR form (signed), to spapale@mvedge.org.

Upon the submission of this application to OCIDA, this applicant becomes a public document. Be advised that any action brought before the OCIDA is public information. All agendas for OCIDA are issued prior to full agency meetings and posted in public domain. *If there is information that the applicant feels is proprietary please identity as such and that information will be treated confidentially to the extent permitted by law.*

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, your company 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 questions how to calculate your company's IDA application fee please consult with the Memorandum to Companies Sale – Leaseback Transactions or please contact the IDA Executive Director.

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: Cree, Inc.

1(b) Principal Address: 4600 Silicon Drive
Durham, NC 27703

1(c) Telephone/Facsimile Numbers: 919.407.4882

1(d) Email Address: bkohn@cree.com

1(e) Federal Identification Number: 56-1572719

1(f) Contact Person: Bradley D. Kohn, General Counsel

1(g) Is the Applicant a

- [■] Corporation:
  If yes, Public [✓] Private [ ]
  If public, on which exchange is it listed? NASDAQ
- [ ] 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) North Carolina

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

1(b) Principal Address: 584 Phoenix Drive
Rome, NY 13441

1(c) Telephone/Facsimile Numbers: 3153380393

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

1(e) Federal Identification Number: 16-0874637

1(f) Contact Person: Steven J. DiMeo

1(g) Is the Applicant a

- [x] 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) 501c3

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

Applicant's Stockholders, Directors and Officers (or Partners)

2(a) Provide the following information with respect to parties with 15% or more in equity holdings:

Name	Address	Percentage of Ownership
N/A		

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 so, indicate name of such entity and the relationship.

N/A

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:

No.

Applicant's Stockholders, Directors and Officers (or Partners)

2(a) Provide the following information with respect to parties with 15% or more in equity holdings:

Name	Address	Percentage of Ownership
NA		

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 so, indicate name of such entity and the relationship.

EDGE is the sole shareholder of 394 Hangar Road Corporation, a NY business corporation. In addition, EDGE is the sole member of 5900 Success Drive Realty, LLC, a NY limited liability company. EDGE is the parent company to both 394 Hangar Road Corporation & 5900 Success Drive Realty, LLC.

Many of EDGE's officers & directors own and/or otherwise control their own businesses. They serve as officers and/ or directors of EDGE in order to advance EDGE's charitable purposes and for the betterment of Oneida County and the Mohawk Valley Region.

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:

EDGE is not affiliated through common ownership with any entity other than those listed in response to 2 b above. However, EDGE has entered into separate contracts with each of the following corporations pursuant to which it provides staff services to such corporations:
1 - Oneida County Industrial Development Agency
2- Oneida County Local Development Corporation
3 - Rome Industrial Development Corporation
4 - Utica Industrial Development Corporation
5 - Griffiss Local Development Corporation
6 - 394 Hangar Road
7 - 5900 Hangar Road
8 - Griffiss Institute Inc.
EDGE is also the owner of a .01% membership interest Cardinal Griffiss Realty, LLC

Applicant's Counsel and Accountant

3(a). Applicant's Attorney

Name/Title:	Ernest Pearson
Firm:	Nexsen Pruet, LLC
Address:	4141 Parklake Avenue, Suite 200
	Raleigh, NC 27612
Telephone/Fax:	919.755.1800
Email:	epearson@nexsenpruet.com

3(b) Applicant's Accountant

Name/Title:	Sandy Kanakis, VP of Finance
Firm:	Cree, Inc.
Address:	4600 Silicon Drive
	Durham, NC 27703
Telephone/Fax:	919.407.4568
Email:	skanakis@cree.com

Business Description

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

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.

Applicant's Counsel and Accountant

3(a). Applicant's Attorney

Name/Title:	Joseph Saunders
Firm:	Saunders Kahler, L.L.P.
Address:	258 Genesee St
	Utica, NY 13502
Telephone/Fax:	3157330419
Email:	jsaunders@saunderskahler.com

3(b) Applicant's Accountant

Name/Title:	Courtney Pearsall
Firm:	D'Arcangelo
Address:	120 Lomond Court
	Utica, NY 13502
Telephone/Fax:	3157355216
Email:	CPearsall@darcangelo-cny.com

Business Description

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

Economic Development Corporation which carries out real estate development and attraction of business development growth for the Mohawk Valley region.

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 company plans to build a state of the art wafer fabrication plant to support the substantial growth in their target markets.

Those target markets include power semiconductors which use our state-of-the-art Schottky diodes and MOSFET transistors. The upcoming electric vehicle market will use many of these SiC-based devices throughout the ecosystem to drive efficiency. The other target market is the forthcoming 5G infrastructure rollout which is critically dependent upon GaN HEMT devices which we supply to end customers at various points of integration.

Reasons for Project

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

With changes in the industry, the company understands the need for growth. The proposed project will result in the construction of a state-of-the-art automated 200 mm wafer fabrication facility that will enable CREE to meet increased customer demands in power electronics and RF.Construction of a new wafer fabrication facility at Marcy Nanocenter and the strategic alliance with the Power Electronics Manufacturing Center (PEMC) at SUNY Poly's Albany campus facilitates our need to meet long term growth in Silicon Carbide and RF technologies.

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

Due to the massive investment, the company requests the involvement of the Agency in the project for savings related to the sales tax and mortgage recording exemptions, as well as the PILOT. The company will be able to reinvest those savings into the project.

6(c) Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency?

[■] Yes or [ ] No

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

N/A

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

The company would not do the project.

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.

N/A - however, working with the IDA is necessary for the company to come to New York State.

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.

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).

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.

The company is working to secure New York State assistance for the Marcy Nanocenter Site. The company is also working to secure North Carolina assistance for a potential location in North Carolina.

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):**

[X] Manufacturing
[ ] Industrial Assembly or Service
[ ] Back office operations
[X] Research and Development
[ ] Technology/Cybersecurity
[X] Warehousing
[ ] Commercial or Recreational
[ ] Retail
[ ] Residential housing (specify) _____
[ ] Pollution Control (specify) _____
[ ] Environmental (e.g., Brownfield) (specify) _____
[X] Other (specify) Semiconductor Cleanroom Manufacturing, Central Utilities Building, Bulk Gas Yard, Electric Service Yard

Percentage of sq. footage of each use (if more than one category):

Semiconductor Wafer FAB/CUB:	81.7%
General Administrative Offices:	12.5%
HPM Warehouse:	5.8%

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
- [X] Other (specify) Construction of site utilities and support infrastructure

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.

Assistance Requested	Estimated Values
[■] Real Property Tax Abatement (value of PILOT savings)	$ 69,947,356
[■] Mortgage Tax Exemption (.75%) $115,000.00 (EDGE)	
Amount of mortgage: $15,333,334.00	
[ ] Sales and Use Tax Exemption ** (8.75%) $32,812,500.00	
Value of goods/services to be exempted from sales tax: $375,000,000.00	
[ ] Issuance by the Agency of Tax Exempt Bonds(bond dollar value)$	

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

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.

While there is a deviation from the standard policy, the assistance requested is still in compliance with the IDA's Uniform Tax Exemption Policy that was established for development of Marcy Nanocenter - pursuant to the Agreement Approving PILOT Terms and Allocating PILOT Payments, executed by the taxing jurisdictions, OCIDA and EDGE on October 1, 2013.

** ***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 III: Facility Information (if project that you are applying for is a housing project please also complete questions 7(l) through7(p))

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:

Marcy Nanocenter Site [5737 Edic Road]

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

Marcy, NY 13403

7(c) School District:

Whitesboro

55.25+/- acre parcel to be subdivided out of the 434+/- acre Marcy Nanocenter Site to create "Lease Parcel 1"; MNC, West Side of Edick Road, Marcy, NY 13403.

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

Vacant land - former West Campus site that has been developed for semiconductor mfg.

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***.

As it is currently envisioned, the proposed facility will consist of 4 buildings: an administrative building, a ballroom style wafer fabrication building, a HPM Warehouse, Central Utilities Building (CUB), and other support infrastructure (Electric Service Yard, Bulk Gas Yard, site utilities that connect to the overall site infrastructure developed for Marcy Nanocenter). The administrative building will have 3 floors with a total square footage of 75,000 +/-. The CUB will be a single floor of 70,000 square feet. Finally, the manufacturing building will be 3 floors with 1 for process and 2 for support equipment. The total cleanroom space in this building will range from 100,000 to 135,000 square feet. The construction of all four buildings will be steel, concrete, brick and morter.

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.

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

Construction commencement: 11/01/2019

Construction completion: 12/31/2023

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.

See Attachments.

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: (SEQR determination 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.

Part IV: Housing Project Questionnaire

Complete the following questions only if your project is a Housing Project. **Please reference the *Oneida County Industrial Development Agency Uniform Tax Exemption and Agency Benefits Policy Market Rate Rental Housing Development Initiatives.* (Add additional pages as needed).**

7(l) Describe the housing project to be constructed or renovated in detail (type of housing, number of units, etc.):

7 (m) Describe how you will change the current use of the facility or property being utilized for the project. To assist the IDA in their determination of an eligible vacant urban infill site project please provide an extensive explanation as well as photos of what is being removed or replaced with the new construction.

7 (n) Will the project have any impact on the existing infrastructure or upgrades to the current infrastructure (water, sewer, electrical, gas, etc.)? If yes please provide detail and who you are working with at the applicable organization.

7 (o) If your project is a multi-use facility please provide details of the project, project square footage breakdown of non-housing to housing usage, detail the job creation and retention associated with the non-housing component.

7 (p) Does the project provide a community benefit? If yes provide detail substantiating (reference the IDA policy).

ALL APPLICANTS ANSWER THE FOLLOWING

Part V: 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.

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?

☐ Yes or ■ No. If the answer is yes, please continue. **If no, proceed to next section Part VI Facility (Pg 14).**

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.

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 the retail determination and proceed to next section Part VI Facility (Pg 14).**

If the answer to A is Yes AND the answer to Question B 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 or ☐ No.

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

☐ Yes or ☐ 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 or ☐ 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 VI: Facility (Legal Information)

8(a) With respect to the **present owner** of the 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: SUNY Polytechic Institute / Economic Development G

Address: PO Box 3050

Utica, NY 13501

Telephone:

Balance of Mortgage: 0

Holder of Mortgage: N/A

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.

A sub-sublease agreement will be put in place for the land lease with Cree for the property (+/- 55.25 acres) with Economic Development Growth Enterprises who has a sub-groundlease with Fort Schuyler Management Corporation who groundlease from SUNY POLY.

The project will be on a 1.47 A parcel of land owned by EDGE which is included in the 55.25 A.

8(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.

8(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.

8(d) Will the title owner of the facility/property also be the user of the facility?
[ ] Yes [■] No If no, please explain.

Cree will own building improvements that are subject to Ground Sublease on 55.25 +/- acres. Cree will be title owner of the facility but of the land.

8(e) Is the Applicant currently a tenant in the facility? [ ] Yes [ ] No

8(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:

Name of Tenant	Floors Occupied	Square Feet Occupied	Nature of Business

8(g) Are any of the tenants related to the owner of the facility?
[ ] Yes [X] No
If yes, please explain.

N/A

8(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.

Part VII: Equipment

9(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.

List is not available; will provide as soon as possible. Tooling to be purchased and placed in service is exempt from NYS state and local sales tax

9(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.

N/A

9(c) What is the useful life of the equipment? 3 - 15 years

Part VIII: 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.

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

Construction Jobs: 700

10(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 or ☐ No.

If yes, explain It will preserve jobs & create indirect benefits to the community.

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

☐ Yes or ☐ No.

If yes, explain The company is in a growth industry.

10(c) 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.

	Number of Jobs BEFORE Project 0	Location 1	Location 2	Location 3	Location 4	Location 5	Total
	Address in NYS	0					
	Full-Time Company	0					0
	Full-Time Independent Contractors	0					0
	Full-Time Leased	0					0
A.	**Total Full-Time BEFORE**	0					0
	Part-Time Company	0					0
	Part-Time Independent Contractors	0					0
	Part-Time Leased	0					0
B.	**Total Part-Time BEFORE**	0					0
	Total FTE BEFORE*	0					0

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

Continued on next page

	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						
	Full-Time Independent Contractors						
	Full-Time Leased	SEE ATTACHED					
A.	**Total Full-Time AFTER**						
	Part-Time Company						
	Part-Time Independent Contractors						
	Part-Time Leased						
B.	**Total Part-Time AFTER**						
	Total FTE AFTER *						

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 jobs created within three years of project completion	Location 1	Location 2	Location 3	Location 4	Location 5	Total
Full-Time	105					
Part-Time	0					
Total AFTER	105					

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

Continued on next page

	Retained Jobs		Created Jobs	
SALARY AND BENEFITS	**Average Annual Salary *per employee***	**Average Fringe Benefits (as a percentage of wages)**	**Average Annual Salary *per employee***	**Average Fringe Benefits (as a percentage of wages)**
Manager	$	%	$ 109,500.00	17 %
Engineers	$	%	$ 90,500.00	17 %
Operators	$	%	$ 51,500.00	17 %
Technicians	$	%	$ 66,500.00	17 %
Indirects	$	%	$ 76,000.00	17 %
Overall Weighted Average	$	%	$ 75,000.00	17 %

*** 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 thirt-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 thirt-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.

10(c) Please list NAICS codes for the jobs affiliated with this project:

334413

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.

Acquisition of Land (if vacant)	$ 0
Acquisition of Existing Building(s)	$ 0
Renovation Costs of Existing Building(s)	$ 0
New Construction of Buildings	$ 479,049,690
Machinery and Equipment (other than furniture costs)	$ 365,000,000
Fixtures	$ 15,000,000
Installation Costs	$ 20,000,000
Fees & Permits (other than your own broker and legal fees)	$ 493,310
Legal Fees (IDA legal fees, Applicant legal fees)	$ 105,000
Architectural/Engineering	$ 3,000,000
Interest on Financing Charges	$ 0
Other (Relocation of Tooling from Current Site)	$ 122,000,000
Subtotal	$ 1,004,648,000
Agency Fee[1]	$ 352,000
Total Project Cost	$ 1,005,000,000

[1] *See Attached Fee Schedule (Page 25) for Agency Fee amount to be placed on this line*

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.

Acquisition of Land (if vacant)	$
Acquisition of Existing Building(s)	$
Renovation Costs of Existing Building(s)	$
New Construction of Buildings	$
Machinery and Equipment (other than furniture costs)	$
Fixtures	$
Installation Costs	$
Fees & Permits (other than your own broker and legal fees)	$
Legal Fees (IDA legal fees, Applicant legal fees)	$
Architectural/Engineering	$
Interest on Financing Charges	$
Other (PIF, Financing, EDGE Grants)	$
Subtotal	$ 26,500,000
Agency Fee[1]	$
Total Project Cost	**$** 26,500,000

[1] *See Attached Fee Schedule (Page 25) for Agency Fee amount to be placed on this line*

PIF Summary +Other Financing

Incentives	Low Range Estimate	High Range Estimate
Recruitment & Relocation Fund (PIF Financing)	$ 1,100,000	$ 1,450,000
Job Training Fund (PIF Financing)	$ 1,100,000	$ 1,450,000
Job Training Fund (Capitalized out of PIF – over 3 years)	$ 3,500,000	$ 3,800,000
Apollo Project Manager (PIF Financing)	$ 400,000	$ 400,000
PIF Site Grading (PIF Financing)	$ 6,250,000	$ 7,250,000
PIF Grading (Grants)	$ 2,750,000	$ 2,750,000
EDGE Obligations: Success Fee, Interim Interest, Financing, Legal & Closing Costs, Project Adm., & Contingency – (PIF Financing $3.1 M & PIF Capitalized Funds $1.3 M)	$ 4,400,000	$ 4,400,000
Total PIF (PIF Financing, Grants & Capitalized PIF Proceeds	**$ 19,500,000**	**$ 21,500,000**
NET PIF Debt Financing (less Capitalized Job Training Fund)	**$ 11,950,000**	**$ 13,650,00**
Additional Bridge Financing through EDGE – secured by Apollo (if financing is required)	**$ 6,000,000**	**$ 5,000,000**

- EDGE PIF Financing and Bridge Financing secured by Apollo (pursuant to financing requirements from EDGE lender(s).

11(b) **Sources of Funds for Project Costs (will auto sum):**

Bank Financing: $ 505,500,000

Equity (excluding equity that is attributed to grants/tax credits) $ _____

Tax Exempt Bond Issuance (if applicable) $ _____

Taxable Bond Issuance (if applicable) $ _____

Public Sources (Include sum total of all state and federal grants and tax credits) $ _____

Identify each state and federal grant/credit:

Empire State Development $ 500,000,000

_____ $ _____

_____ $ _____

_____ $ _____

Total Sources of Funds for Project Costs: $ 1,005,000,000

Real Estate Taxes

12(a) For each tax parcel which comprises the facility, please provide the following information, using figures from the most recent tax year.

	Tax Map Parcel #	Current Assessed Value (Land)	Current Assessed Value (Building)	Current Total Assessment	Current Real Estate Taxes
P/O	293.000-1-48.1 (53.76A)				
P/O	293.000-1-48.2 (1.49A)				

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.

11(b) **Sources of Funds for Project Costs (will auto sum):**

Bank Financing:	$ 18,650,000
Equity (excluding equity that is attributed to grants/tax credits)	$ 6,100,000
Tax Exempt Bond Issuance (if applicable)	$
Taxable Bond Issuance (if applicable)	$
Public Sources (Include sum total of all state and federal grants and tax credits)	$ 1,750,000
Identify each state and federal grant/credit:	
EDGE Grant from ESD (AB696)	$ 1,750,000
	$
	$
	$
Total Sources of Funds for Project Costs:	$ 26,500,000

Real Estate Taxes

12(a) For each tax parcel which comprises the facility, please provide the following information, using figures from the most recent tax year.

Tax Map Parcel #	Current Assessed Value (Land)	Current Assessed Value (Building)	Current Total Assessment	Current Real Estate Taxes

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.

12(b) Address of Receiver of Town and/or Village Taxes (include all jurisdictions include MFD):

Gina Schillaci, Marcy Town Clerk

8801 Paul Becker Road

Marcy, NY 13403

12(c) Address of Receiver of School Taxes includes Library District:

Whitestown Receiver of Taxes

8539 Clark Mills Road

Whitesboro, NY 13492

12(d) Will the completion of the proposed project result in the increase of the assessment of any of the parcels named above? [X] Yes [ ] No

If yes, please indicate which tax map parcel # will be affected and estimate of increase

Tax Map Parcel # 293.000-1-48.1; the property in question is currently tax exempt.

Financial Information

13(a) Has the Applicant contacted any bank, financial/lending institution or private investor with respect to the financing of the proposed project?

[ ] Yes [Xx] No

If yes, please provide details.

13(b) Has the Applicant received a commitment letter for said financing?

[ ] Yes [x] No

If yes, please submit a copy of said commitment letter along with this Application.

13(c) Please complete the Cost/Benefit Analysis form and attach to this Application. As you begin completing the form and have questions, please call the IDA office.

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 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~~ North Carolina)
COUNTY OF ~~ONEIDA~~ Durham) ss.:

Bradley D. Kohn, being first duly sworn, deposes and says:

1. That I am the SVP-Legal (Corporate Office) of Cree, Inc. (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.

Brad D. Kohn
(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury this 24th day of September, 2019.

(Notary Public)
My commission expires: August 8, 2021

BRIAN D. WELTY
Notary Public
Wake County
NORTH CAROLINA

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 with a check in the amount of $1500.00 made payable to: **Oneida County Industrial Development Agency (OCIDA)**, 584 Phoenix Drive, Rome, New York 13441-1405, Attn.: Shawna M. Papale, Executive Director. $1000 will be applied at closing against the IDA closing fee. In addition, please send an electronic version of the application (signed), and SEQR form (signed), to spapale@mvedge.org.

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. DiMeo, being first duly sworn, deposes and says:

1. That I am the President (Corporate Office) of ECONOMIC DEVELOPMENT GROWTH ENTERPRISES 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 Application and the contents of this Application are true, accurate and complete.

(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury this 24th day of September, 2019

(Notary Public) My Commission Expires: 11/30/2021

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:_____

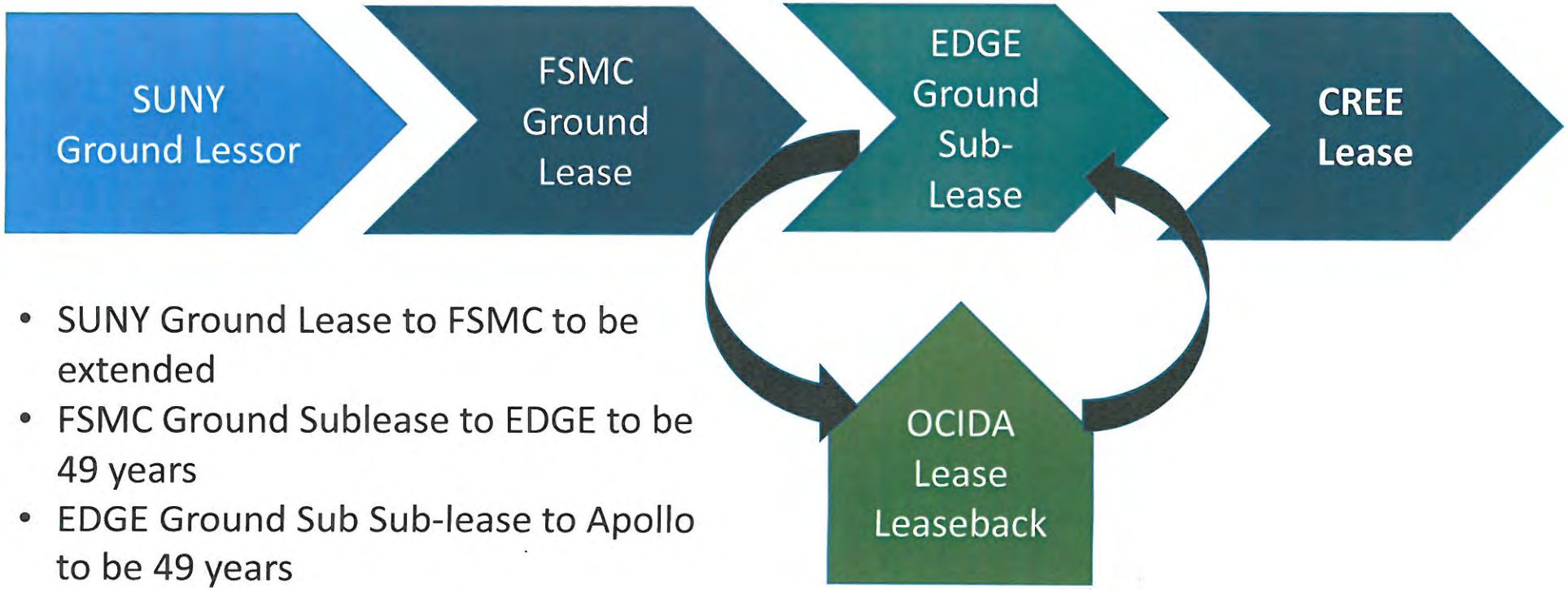
Name: _____

Title: _____

Date:_____

Return the original signed and notarized application and two copies with a check in the amount of $1500.00 made payable to: **Oneida County Industrial Development Agency (OCIDA)**, 584 Phoenix Drive, Rome, New York 13441-1405, Attn.: Shawna M. Papale, Executive Director. $1000 will be applied at closing against the IDA closing fee. In addition, please send an electronic version of the application (signed), and SEQR form (signed), to spapale@mvedge.org.

Real Estate Structure



- SUNY Ground Lease to FSMC to be extended
- FSMC Ground Sublease to EDGE to be 49 years
- EDGE Ground Sub Sub-lease to Apollo to be 49 years
- Apollo to own Building Improvements that would be subject to ground lease

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.

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. 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 the IDA incurs in connection with said transaction.

Revised 7-12-16

Anthony J. Picente Jr.
County Executive

David Grow
Chairman

Natalie Brown
Vice Chairman

Shawna M. Papale
Executive Director/Secretary

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

OCIDA

153 Brooks Road, Rome, New York 13441-4105
(315) 338-0393, fax (315) 338-5694
info@mvedge.org www.mvedge.org

Ferris Betrus
Michael Fitzgerald
Eugene Quadraro
Michael Valentine
Steven Zogby

MEMORANDUM TO COMPANIES
SALE-LEASEBACK TRANSACTIONS

1. When a Company decides that a sale-leaseback transaction may suit its particular needs, the first order of business is for the Company to complete an Application for Financial Assistance, together with an Environmental Impact Questionnaire, Cost/Benefit Analysis and Statement of the Project Applicant (referred to collectively as the "Application"). The Application is submitted to Agency Counsel for a formal decision as to whether or not the project qualifies as a "project," as defined by law.

2. No action can be taken until the Application is completed and submitted to the Agency and approved by Agency Counsel.

3. Upon completion of the Application and approval by Agency Counsel, the Agency will meet for the purpose of adopting an Inducement Resolution and reviewing the Environmental Impact Questionnaire, Cost/Benefit Analysis and Statement of the Project Applicant. At this time a Resolution may be adopted by the Agency concerning the environmental impact. **Please note that the Agency is subject to the Open Meetings Law, and all meetings will be open to the public, *including news media*.**

4. The Company is expected and encouraged to have its own counsel. The Company is also required to reimburse the Agency for all legal expenses incurred in furtherance of a proposed transaction, whether or not that transaction is completed. This includes all fees and disbursements of Agency Counsel.

5. The Company will be asked to sign an Inducement Agreement, which sets forth the terms of the proposed transaction and the obligations of the parties in furtherance of the same. The Company will also be asked to provide Agency Counsel with certain

information concerning the formation of the corporation or partnership, a survey of the property, title insurance, insurance certificates, etc. before the transaction can close. All matters in connection with the transfer of the real estate will be handled primarily by Company Counsel with the assistance of Agency Counsel.

6. A Public Hearing may be required in accordance with the New York State General Municipal Law, after which the Oneida County Executive must approve or disapprove the issue. Notice of the Public Hearing must be published at least thirty (30) days prior to the Hearing in the newspaper where the project is located. The highest elected official of each affected taxing jurisdiction must also receive thirty day written notice of the Hearing.

   No financial benefits may be granted by the Agency to the Company until after the Public Hearing if required.

7. Agency Counsel has certain requirements as to those documents which must be included in the transaction and the content thereof, including but not limited to requiring environmental impact surveys, environmental indemnifications and general indemnifications.

8. The fee schedule is attached, covering the Agency fee, the Agency's work with respect to the project and the work of Agency Counsel.

   The estimated fees for Agency Counsel may vary depending on the nature of the project. The initial fee quote assumes that the transaction closes within ninety (90) days from the date of the inducement, that there will be no unusual questions of law or prolonged negotiations regarding the documents, and that the involvement or assistance from other agencies will not require substantial modifications to the typical structure and documentation of similar transactions. The fee quote also assumes that Agency Counsel will not be called upon to coordinate with any lender, as the Agency is not issuing bonds. The fee quote assumes that closing will take place by mail and will not necessitate attending meetings with the Company or any lender.

9. Once the terms and conditions of the transaction are fairly well established, Agency Counsel prepares preliminary drafts of the financing documents and distributes them to all parties for review and comment. Comments accepted by all counsel will result in redrafting of documents. The parties establish a mutually agreeable closing date, and final documents for execution are prepared.

10. The Agency then conducts a meeting whereby it adopts an Authorizing Resolution, under which the Agency approves of the form of the documents and authorizes the Chairman to execute the same.

11. The closing takes place.

12. Some of the benefits available to a company under a sale-leaseback transaction are as follows:

⇒ Exemption from New York State mortgage recording tax
⇒ Exemption from New York State sales tax for materials used in construction
⇒ Real property tax abatement on the value added to the project (for more information, please see the Uniform Tax Exemption Policy enclosed herewith)

c:\1997/ocida/irbmemo3.doc/lsr_pc

MEMORANDUM TO APPLICANTS FINANCING AN IDA PROJECT THROUGH A COMMERCIAL LENDER

We have found it helpful to outline at the onset of a transaction the basic structure of financing when an industrial development agency ("IDA") has a fee or leasehold interest in a property and is party to a mortgage or other financing instrument. **Please give a copy of this memorandum to your lender as early in the financing process as possible.**

An IDA is party to a financing instrument purely as a conduit for financial assistance (in the case of granting exemptions from mortgage recording tax) and to grant its interest in the facility to the lender. To preserve the passive nature of its role, the IDA cannot assume any obligations or make any representations that a traditional Borrower would make to a lender. It has been our experience that the easiest way to accomplish this is to define the Borrower as the "Borrower," define the IDA as the "Agency," and only include the Agency in the granting clause and with respect to the assignment of rents, inasmuch as those are the only reasons that the Agency is party to this document.

Furthermore, because PILOT Payments are contractual obligations and are not given the same high priority as tax payments, we crafted some language that will restore the taxing jurisdictions to the same position they would have been but not for the IDA involvement in the project. While it is not disputed that is an equitable arrangement, certain lenders have expressed concern that, because the requirement to pay PILOT Payments is contained in a private contract, there is no prescribed process to avoid significant delinquencies as there is under a tax foreclosure. It has been our experience the easiest way to accomplish this is for a lender to escrow PILOT Payments so it is has the assurance that payments are made in a timely manner. If a lender does not wish to escrow PILOT Payments, an alternative is for the IDA to record a PILOT Mortgage that would be given first priority over the lender's mortgage, similar to the priority taxes have.

Below are certain provisions we require be incorporated into each financing document to which the IDA is a party (please modify capitalized terms accordingly):

1. **AGENCY PROVISIONS.**

a. Agency makes no covenants other than to mortgage all of its interest in the Premises excepting its Unassigned Rights (as said term is defined in the Leaseback Agreement).

b. **NO RECOURSE AGAINST AGENCY**: Lender agrees that Lender will not look to the Agency or any principal, member, director, officer or employee of the Agency with respect to the Indebtedness or any covenant, stipulation, promise, agreement or obligation contained in this Mortgage. In enforcing its rights and remedies under this Mortgage, Lender will look solely to the Premises for the payment of the Indebtedness and for the performance of the provisions hereof. Lender will not seek a deficiency or other money judgment against the Agency or any principal, member, director, officer or employee of the Agency and will not institute any separate action against the Agency by reason of any default which may occur in the performance of any of the terms and conditions of any documents evidencing the Indebtedness.

c. **HOLD HARMLESS**: Borrower and Lender agree that the Agency, its directors, members, officers, agents (except the Borrower) and employees shall not be liable for and Borrower agrees to defend, indemnify, release and hold the Agency, its directors, members, officers, agents (except the Borrower) and employees harmless from and against any and all (i) liability for loss or damage to Property or injury to or death of any and all Persons that may be occasioned by, directly or indirectly, any

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cause whatsoever pertaining to the Facility or arising by reason of or in connection with the occupation or the use thereof or the presence of any Person or Property on, in or about the Facility or the Land or (ii) liability arising from or expense incurred by the Agency's financing, acquiring, constructing, renovating, equipping, owning and leasing of the Facility, including without limiting the generality of the foregoing, all claims arising from the breach by the Borrower of any of their respective covenants contained herein and all causes of action and attorneys' fees and any other expenses incurred in defending any claims, suits or actions which may arise as a result of any of the foregoing, provided that any such losses, damages, liabilities or expenses of the Agency are not incurred or do not result from the gross negligence or intentional or willful wrongdoing of the Agency, or any of its directors, members, agents (except the Borrower) or employees. The foregoing indemnities shall apply notwithstanding the fault or negligence in part of the Agency or any of its members, directors, officers, agents or employees and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability.

d. **SPECIAL OBLIGATION**. The obligations of the Agency under the Mortgage and Financing Documents constitute a special obligation of the Agency, and all charges payable pursuant to or expenses or liabilities incurred thereunder shall be payable solely out of the revenues and other moneys of the Agency derived and to be derived from the leasing of the Facility, any sale or other disposition of the Equipment and as otherwise provided in the Authorizing Resolution, the Leaseback Agreement and the PILOT Agreement. Neither the members, officers, agents (except the Borrower) or employees of the Agency, nor any person executing the Mortgage and Financing Documents on behalf of the Agency, shall be liable personally or be subject to any personal liability or accountability by reason of the leasing, construction, renovation, equipping or operation of the Facility. The obligations of the Agency under the Financing Documents are not and shall not be an obligation of the State or any municipality of the State and neither the State nor any such municipality (including, without limitation, the County of Oneida), shall be liable thereon.

e. **SUBORDINATION TO PILOT AGREEMENT**: This Mortgage shall be subject and subordinate to any PILOT Agreement between the Borrower and the Agency with respect to the payments in lieu of taxes assessed or imposed upon the Premises, and by accepting this Mortgage, Lender acknowledges and agrees that such PILOT payments shall have the same force, priority and effect as a real property tax lien under New York State law against the Premises.

If a lender chooses to escrow PILOT Payments, we will incorporate the following provisions into the Leaseback (or Lease) Agreement:

Section 9.13 Subordination to Mortgage. This Leaseback Agreement and the rights of the Company and the Agency hereunder (other than with respect to the Unassigned Rights) are subject and subordinate to the Lien of the Mortgage, and all extensions, renewals or amendments thereof. The subordination of this Leaseback Agreement to the Mortgage shall be automatic, without execution of any further subordination agreement by the Company or the Agency. Nonetheless, if the Bank requires a further written subordination agreement, the Company and the Agency hereby agree to execute, acknowledge and deliver the same.

Section 9.14 Rights of Bank.

(a) Bank is hereby given the right by the Agency, in addition to any other rights herein granted, without any requirement to obtain the Agency's consent, to mortgage the mortgagors' respective interests in the Facility and, in the case of the Company, to assign and grant a security interest in the Company's rights under the Company Documents as collateral security for its obligations to the Bank, upon the condition that all rights acquired by Bank shall be subject to all rights and interests of the

Agency herein and in the other Company Documents, none of which covenants, conditions or restrictions is or shall be waived by the Agency by reason of this right to mortgage or grant a security interest in the Facility and the Company Documents, including Unassigned Rights.

(b) There shall be no renewal, cancellation, surrender, acceptance of surrender, material amendment or material modification of this Leaseback Agreement or any other Company Document by joint action of the Agency and the Company alone, without, in each case, the prior consent in writing of Bank, nor shall any merger result from the acquisition by, or devolution upon, any one entity of any fee and/or leasehold estates or other lesser estates in the Facility. Failure of the Bank to consent to a modification of this Leaseback Agreement by the Agency shall constitute an Event ofDefault.

(c) If the Agency serves a notice of default upon the Company, it shall also serve a copy of such notice upon Bank at the address set forth in Section 9.1.

(d) In the event of any default by the Company under this Leaseback Agreement or any other Company Document, the Bank shall have fifteen (15) days for a monetary default and thirty (30) days in the case of any other default, after notice to the Company and the Bank of such default to cure or to cause to be cured the default complained of and the Agency shall accept such performance by or at the instigation of Bank as if same had been done by the Company. The Agency in its sole discretion will determine whether such action by the Bank amounts to a cure.

(e) Except where Bank or its designee or nominee has succeeded to the interest of the Company in the Facility, no liability for any payments to be made pursuant to this Agreement or the performance of any of the Company's covenants and agreements under this Agreement shall attach to or be imposed upon the Bank, and if the Bank or its nominee or designee succeeds to the interest of the Company in the Project, all of the obligations and liabilities of the Bank or its nominee or designee shall be limited to such entity's interest in the Facility and shall cease and terminate upon assignment of this Leaseback Agreement by the Bank; provided however, that the Bank or its nominee or designee shall pay all delinquent PILOT Payments, if any, prior to said assignment.

(g) Notwithstanding any provision of this Leaseback Agreement or any other Company Document to the contrary, foreclosure of a mortgage or any sale of the Company's interest in this Leaseback Agreement and/or the Facility in connection with a foreclosure, whether by judicial proceedings, or any conveyance of the Company's interest in this Agreement and/or the Facility to Bank by virtue of or in lieu of foreclosure or other appropriate proceedings, or any conveyance of the Company's interest in this Leaseback Agreement and/or the Facility by Bank shall not require the consent or approval of the Agency and failure to obtain the Agency's consent shall not be a default or Event of Default hereunder.

Oneida County Industrial Development Agency Recapture Policy
(Effective April 25, 2017)

DEFINITIONS:

"Company"	is the entity that applied for and received a benefit from the Agency.
"Agency"	is the Oneida County Industrial Development Agency.
"AER"	is the Company's annual report of employment required to be provided to the Agency.
"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 their real estate taxes would be.
"Employment Obligation"	shall mean the number of FTEs employed by the Company in Oneida County and selected by the Agency as the Company's obligation.
"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.
"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.
"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.
"Major Shortfall"	shall mean having FTEs that are less than 50% of the Employment Obligation.
"Minimum Standard"	shall mean a Company whose AER shows that they are short of meeting its Employment Obligation by 20%.
"Initial Benefit"	shall be the amount of savings the Company received through the Agency, in the form of Mortgage Recording Tax and New York State Sales Tax.
"Cure Period"	shall mean the period ending June 30th of the year following the Major Shortfall.

1. **Job Creation and Retention Obligations.**

After the expiration of the Employment Obligation Term, the Company shall have no further obligation with respect to the Employment Obligation and shall not be liable for any of the payments described below.

The failure of the Company to satisfy the Employment Obligation can subject the Company to payments to the Agency. The Company shall be required to make payments if it fails to attain the Minimum Standard.

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.

2. **Projects with less than Ten Years Employment Obligation Term.**

(a) Shortfall Payments.

(1) If, during the first three (3) 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 (3) 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.

(b) 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 (such payment shall be referred to as the "Major Shortfall Payment").

Major Shortfall Occurs:	Percentage of Initial Benefit
Year 1	100%
Year 2	80%
Year 3	60%
Year 4	40%
Any Subsequent Year	20%

(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 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.

3. **Projects with Ten Years or Longer Employment Obligation Term.**

(a) 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.

(b) 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.

Major Shortfall Occurs:	Percentage of Initial Benefit
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.

4. **Shift of Employment**. If the Shortfall or Major Shortfall is as a result of the Company 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).

5. **Mandatory Recapture**. The Agency is mandated 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.

c. The Company fails to use property or services in the manner required by the Leaseback Agreement.

6. **Return of Recaptured Funds.** 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.

The Agency shall have the right to reduce any payment required under this Policy, in extraordinary circumstances, in its sole discretion.

Anthony J. Picente Jr.
County Executive

Shawna M. Papale
Secretary/
Executive Director

James P. Castilla
Treasurer

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ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY UNIFORM TAX EXEMPTION POLICY

Adopted by the Oneida County Industrial Development Agency on January 28, 1994, amended on December 21, 1998 and April 30, 2009

The Oneida County Industrial Development Agency (the "Agency") has adopted the following uniform tax exemption policies. These policies will be used for all projects for which the Agency may provide financial assistance, including bond (taxable and/or tax exempt) issuances and straight lease transactions. Final determinations regarding the extent to which financial assistance, if any, will be granted are solely within the discretion of the Agency.

I. Project Eligibility Criteria

(a) General Requirements

The Agency considers the following general factors in determining whether a project is eligible for financial assistance:

- The nature of the proposed project (e.g., manufacturing, commercial, civic).
- The nature of the property before the project begins (e.g., vacant land, vacant buildings).
- The economic condition of the area at the time of the application.
- The extent to which a project will create or retain permanent, private sector jobs.
- The estimated value of tax exemptions to be provided.
- The impact of the project and the proposed tax exemptions on affected tax jurisdictions.
- The impact of the proposed project on existing and proposed businesses and economic development projects in the County.
- The amount of private sector investment generated or likely to be generated by the proposed project.
- The likelihood of accomplishing the proposed project in a timely fashion.
- The effect of the proposed project upon the environment.

- The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts in which the project is located.
- The extent to which the proposed project will provide a benefit (economic or otherwise) not otherwise available within the County of Oneida.

(b) Industrial and Manufacturing Projects

(1) Industrial and manufacturing projects generally qualify for financial assistance, subject to the eligibility criteria set forth in Part I (a) of this Policy.

(2) Due to the nature of the work, companies performing back-office operations that are regional or national in nature and a majority of which operations support activities outside of Oneida County will qualify as industrial and manufacturing. Research and development facilities and distribution centers that locate in Oneida County may also qualify as industrial and manufacturing.

(c) Retail Projects

The Agency will provide financial assistance to retail facilities only in accordance with the restrictions contained in New York State General Municipal Law Section 862(2), and subject to the eligibility criteria set forth in Part I (a) of this Policy. The Agency will also consider the competitive impact of the project.

Retail projects are generally not eligible for Agency assistance, with the following exceptions:

(i) Retail businesses that primarily serve customers located in Oneida County are generally not eligible for financial assistance unless located in a "highly distressed area" as defined in General Municipal Law §854(18), which includes projects located in an economic development zone or Empire Zone (as defined in New York State statute or regulation), or the project meets one of the other requirements of this paragraph (c);

(ii) Retail projects operated by not-for-profit corporations may be eligible for financial assistance;

(iii) Retail projects may be eligible for financial assistance provided an appropriate market analysis 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; and

(iv) Retail businesses that primarily provide a product or a service that is otherwise not reasonably available in Oneida County may be eligible for financial assistance.

(d) Other Non-Industrial/Commercial Projects

Non-industrial/commercial projects may qualify for financial assistance at the discretion of the Agency, based upon its evaluation of the eligibility requirements set forth in Part I (a) of this Policy. The Agency confirms the following specific policies:

(i) Mixed or Multiple-Use Projects qualify for financial assistance, only with respect to that portion of the project that is used for purposes that qualify for financial assistance under this Policy.

(ii) Housing projects are generally not eligible for benefits, unless they

(a) service the elderly, low-income, assisted living or other groups with special needs; *or*

(b) promote employment opportunities and prevent economic deterioration, as confirmed by an appropriate market analysis, and such a determination is made by the Agency based upon all of the relevant facts.

II. **Real Property Tax Abatements**

If the Agency determines that a project will receive real property tax abatements, a Payment-In-Lieu-Of-Tax Agreement (the "PILOT") will be negotiated with each project owner (the "Company") and will substantially follow the following guidelines with final determinations to be made by the Agency.

(i) Real Property Acquired by Company as part of Project. If the Company is acquiring real property as part of the Agency project, then the Agency's real property tax exemption will be available with respect to all real property acquired by the Company as part of the project and improvements thereto.

(ii) Substantial Improvements to Existing Real Property Owned by Company. If the Company is making "Substantial Improvements" (as defined below) to existing real property owned by the Company, then the Agency's real property tax exemption will apply to both the existing real property and the improvements.

(iii) Non-Substantial Improvements to Existing Real Property. If the improvements to existing real property owned by the Company are not Substantial Improvements, then the Agency's tax exemption shall apply only to the increase in assessment resulting from improvements constructed or installed as part of the project and the Company shall pay PILOT payments equal to the full amount of taxes on the existing real property.

The term "Substantial Improvements" means the value of the improvements constructed or installed as part of the project equals at least 50% of the value of the real property prior to construction or installation of the improvements, as determined by an independent valuation acceptable to the Agency.

(a) Industrial and Manufacturing Projects

The Company shall pay a percentage of the taxes that would otherwise be payable if the project was not tax exempt, to each taxing jurisdiction in which the project is located, as follows:

1. 33 1/3% of such taxes through the fifth (5th) year of the exemption;

2. 66 2/3% of such taxes from the sixth (6th) through tenth (10th) year of the exemption;

3. 100% of such taxes after the tenth (10th) year of the exemption.

(b) ***Retail Projects***

The Company shall pay a percentage of the taxes that would otherwise be payable if the project was not tax exempt, to each taxing jurisdiction in which the project is located, as follows:

1. 50% of such taxes through the second (2nd) year of the exemption;

2. 75% of such taxes from the third (3rd) through the fifth (5th) year of the exemption;

3. 100% of such taxes after the fifth (5th) year of the exemption.

(c) ***OtherNon-Industrial/Commercial Projects***

The Company shall pay a percentage of the taxes that would otherwise be payable if the project was not tax exempt, to each taxing jurisdiction in which the project is located, as follows:

1. 50% of such taxes through the second (2nd) year of the exemption.

2. 75% of such taxes from the third (3rd) through fifth (5th) year of the exemption.

3. 100% of such taxes after the fifth (5th) year of the exemption.

The Agency reserves the right to deviate from the real property tax abatement policy on a case by case basis at its sole discretion.

III. Sales Tax Exemptions

If, based on the eligibility criteria described in Part I of this Policy, the Agency determines a project is eligible for financial assistance, the Agency's financial assistance will include exemption from sales and use tax for costs of constructing, renovating and equipping the project.

Sales and use tax exemption, when available, will be authorized for the duration of the acquisition, construction and equipping of the project as described in the application for financial assistance. The Agency shall deliver a sales tax exemption letter which will expire one (1) year from the date of the project inducement. If construction, renovation or equipping is not complete at the expiration of the original sales tax exemption letter, upon request by the Company, the sales tax exemption letter may be extended at the discretion of the Agency.

All Companies receiving sales and use tax exemption benefits will be required to supply the Agency with a list of all contractors and sub-contractors that have been authorized to use the sales tax exemption letter. This list will be appended to the sales tax exemption letter by the Agency.

The Company must keep a record of the usage of the sales tax exemption letter, and must supply the Agency with the total amount of sales and use tax exemptions claimed by the project for each calendar year. The Company must submit this report to the Agency by February 1st of each year, until the exempt period comes to a conclusion. The company shall also file all reports as may be required by applicable law, including Form ST-340 which shall be filed with the New York State Department of Taxation and Finance.

The Agency reserves the right to deviate from the sales tax exemption policy on a case by case basis at its sole discretion.

IV. Mortgage Recording Tax Exemption

If, based on the project eligibility criteria described in Part I of this Policy, the Agency determines a project is eligible for financial assistance, the Agency will provide an exemption from New York State mortgage recording tax for the financing of project costs.

The Agency reserves the right to deviate from the mortgage recording tax exemption policy on a case by case basis at its sole discretion.

V. Recapture

Agency financial assistance is granted based upon the Company's representation that the project will create and/or maintain the employment levels described in its application for financial assistance (the "Employment Obligation"). If a Company fails to achieve and/or maintain its Employment Obligation, it could result in recapture of all or a portion of tax benefits granted by the Agency.

VI. Deviations

Deviations from this Policy shall be infrequent. The Agency reserves the right, at its sole discretion, to deviate from this Policy on a case by case basis. The Agency will provide written notice to the chief executive officer of each affected tax jurisdiction of any deviation from this Policy and will comply with the deviation requirements of the General Municipal Law.

Oneida County Industrial Development Agency
Application for Financial Assistance

Project Apollo Attachments

7(h). [Details provided in the attached "Project Apollo Permits & Fees" document.]

EDGE has secured permits necessary for development of Marcy Nanocenter Site, including Town of Marcy approval of the Preliminary and Final Development Plans. EDGE has a State Pollutant Discharge Elimination System ("SPDES") permit for the site improvements that have already occurred and the SPDES permit would be maintained during the early worksite grading package before the company would be responsible for securing a separate SPDES discharge permit for its planned construction activity. EDGE would maintain the other discharge permits for the balance of the Marcy Site.

A separate SPDES discharge permit for the company's planned construction would have the following estimated costs:

- Construction Discharges $110/year
- Construction Initial Authorization Fee 55 acres x $110.00 = $6,050.00/one-time

In addition, the SPDES multi-sector general permit fees for storm-water discharges associated with industrial activity are approximately $56,000/year (>10,000,000 GPD).

On July 24, 2019, the NYS Department of Environmental Conservation (NYSDEC) issued to EDGE a validated Air State Facility Permit (DEC ID #6-3044-00126/00002) for the Marcy Nanocenter Site. The permit is transferrable and EDGE would submit a written request to NYSDEC to have the Air State Facility Permit transferred to the company.

The company would also need to coordinate with the Town of Marcy to secure a building permit and design-build plan review to support the company's accelerated construction schedule for the project. Estimated cost would be $180,000.00 ($0.30/GSF) plus an estimated additional cost for engineering support at approximately $250,000.00.

Other permits and/or connection fees include: Industrial Wastewater Discharge Permit at $1,100 annually and connection charges depending on utility. There is a $50.00 charge in the first water bill for new accounts.

7(i). The Town of Marcy went through SEQR. The company relies on the Findings of the Town of Marcy Complete Administrative Record.

10(c). Job Information related to project ***

The Company will employ, as full-time permanent employees of Cree, the following net new high-tech jobs at the Facility after completion of construction of the Facility such that a COO has been issued, and accordingly, "Year 1" for jobs purposes may be different than Year 1 for certain other purposes because most jobs will follow COO (provided, however, that for jobs at the Facility that commence prior to COO, such jobs shall be counted towards the Year 1 number below):

a. Year 1 - 37;
b. Year 2 - 270;
c. Year 3 - 321;
d. Year 4 - 350;
e. Year 5 - 414;
f. Year 6 - 488;
g. Year 7 - 564;
h. Year 8 - 614;
i. Year 9 - 614;
j. Year 10 - 614.

Project Apollo Permits & Fees

Updated 09-01-19

Name of Permit	Type of Permit	Permitting Authority	Summary	Time Required to Apply for & Receive Permit
SPDES Multi-Sector General Permit for Storm-water Discharges Associated with Industrial Activity	SPDES - For Operational Industrial Discharges	NYS Department of Environmental Conservation	Submission of NOI and preparation of Operational SWPPP for Industrial Discharge Permit required. Does not impact construction.	**Generally 1-2 months** (does not impact construction as General Construction SWPPP is already in place. Would need to be in place prior to commencement of operations.
Final Development Plan Approval	Site Plan Approval	Town of Marcy - Planning Board	Planning Board Approval of Final Site Plan for Project. Site plan would substantially mirror what was previously approved.	**Planning Board meets monthly** (generally the 3rd Monday of each month). Site plan approval can done in one meeting if proposed site plan is consistent with prior PDP approval.
Code Review, Building Permits, Certificate of Occupancy	Building Codes	Town of Marcy	• Building Permit on semiconductor facility. • Design-Build approach would break project into phases for building code review.	• 90% Site Engineering completed. • Basis of Design (BOD) from ams AG project provides a 30% Engineering Design. • Project schedule will outline project phases to coordinate with code review to maintain project schedule
Approval of Utility Connections	Utility connections for natural gas, water, sanitary sewer, telecommunications, power	MVWA, Oneida County, Department of Health (DOH), Town, National Grid, Telecom Provider(s)	• MVWA Water Line, Town Sewer • National Grid to make lateral feed off of 12" gas main • Fiber needs to be run into Duct Bank • Duct Bank Substation to Apollo's demarcation point	Utility connections to be coordinated as part of General Construction activities and will require utility providers, and County DOH (water service) to review/approve connections for power, natural gas, telecommunications, water and sewer.
Industrial Wastewater Discharge Permit – Oneida County Department of Water Quality and Water Pollution Control	Local Sewer Use Ordinance & Federal Pretreatment Regulations	The Oneida County Department of Water Quality and Water Pollution Control (WQ&WPC)	Early coordination with County Sewer District during the design process recommended to ensure that design of the industrial wastewater systems complies with federal requirements for discharges of industrial wastewater	**Approximately 1 month**, assuming that end-user involves County Sewer District into the planning and design of its proposed pre-treatment systems that would be required to comply with The County Sewer Use Ordinance and meet federally mandated categorical limits.

Name of Permit	Permitting authority	Fees
SDPES Multi-Sector General Permit for Storm-water Discharges Associated with *Construction*	NYS DEC	• Construction Discharges $110/Yr. • Construction - one time initial authorization fee $110 per disturbed acre and$675/ future impervious acre
SPDES Multi-Sector General Permit for Storm-water Discharges Associated with *Industrial Activity*	NYS December	• 100,000 - 499,999 GPD $ 6,700/yr. • 500,000 - 999,999 GPD $22,500/yr. • 1,000,000 - 9,999,999 GPD $33,500/yr. • > 10,000,000 GPD $56,000/yr. https://www.dec.ny.gov/permits/6054.html
Final Development Plan Approval	Town of Marcy - Planning Board	• Costs have been nominal for EDGE with Town on Local Reviews • EDGE agreement with Town has fees billed based on actual costs X 1.15 multiplier out of pocket costs per 7/14/2014 letter to Town.
Code Review, Building Permits, Certificate of Occupancy	Town of Marcy	• Building Permit: $0.30/GSF • Town will require outside A/E support to review plans and will seek additional compensation (fees to be negotiated) to cover costs for outside A/E support to review and certify compliance with applicable codes [~$200,000 to $250,000 + reimbursables]
Approval of Utility Connections	MVWA, Oneida County, Department of Health (DOH), Town, National Grid, Telecom	Connection charges depending on utility – would be incorporated as part of construction budget
Industrial Wastewater Discharge Permit	The Oneida County Department of Water Quality and Water Pollution Control (WQ&WPC)	2019 Oneida County Sewer District Rate Schedule - $1,100 Annual Permit Fee for Industrial Customers who fall with Federal Categorical Pretreatment Standards

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

Name of Applicant: Cree/ Economic Development Growth Enterprises Corporation

Description of Project: Development of Facility at MNC

Name of All Sublessees or Other Occupants of Facility: CREE

Principals or Parent of Applicant:

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

Estimated Date of Completion of Project: Jul-05

Type of Financing/ Structure:

	Tax-Exempt Financing
	Taxable Financing
x	Sale/ Leaseback
	Other

Type of Benefits being Sought by Applicant:

	Taxable Financing
	Tax-Exempt Bonds
x	Sales Tax Exemption on Eligible Expenses Until Completion
x	Mortgage Recording Tax Abatement
x	Real Property Tax Abatement

Project Costs

Land Acquisition	
Existing Building(s) ACQUISITION	
Existing Building(S) RENOVATION	
NEW Building(s) CONSTRUCTION	$ 479,049,690
Installation Costs	$ 20,000,000
Site Preparation/Parking Lot Construction	
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
Financial (all costs related to project financing)	
Permits	$ 493,310
Other	$ 122,000,000
Agency Fee	$ 352,000
TOTAL COST OF PROJECT	$ 1,005,000,000

Assistance Provided by the Following:

EDGE Loan:	
MVEDD Loan:	
Grants - Please indicate source & Amount:	
Other Loans - Please indicate source & Amount:	

Company Information

		Average Salary of these Positions
Existing Jobs		$ -
Created Jobs FTE (over ten years)	614	$ 75,000.00
Retained Jobs		$ -

Earnings Information for Oneida County

Average Salary of Direct Jobs for Applicant	$ 75,000
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:	700

Calculation of Benefits (3 Year Period)

		Total Earnings	Revenues
Direct Jobs (scaled by 2/3rds)			
	Created	$ 276,300,000	$ 11,742,750
	Existing	$ -	$ -
Indirect Jobs			
	Created	$ 383,750,000	$ 16,309,375
	Existing	0	0
Construction - three year			
	Based Upon 3 year	$ 67,200,000	$ 2,856,000
TOTALS Calculation of Benefits (10 Yr Period)		$ 727,250,000	$ 30,908,125

TAXABLE GOODS & SERVICES

		Spending Rate	Expenditures	State & Local Sales Tax Revenues
Direct Jobs				
	Created	36%	$ 99,468,000	$ 8,703,450
	Existing	0.36	$ -	$ -
Indirect Jobs				
	Created	0.36	$ 138,150,000	$ 12,088,125
	Existing	0.36	$ -	$ -
Construction - thre years				
	Based upon three years	0.36	$ 72,576,000	$ 6,350,400
TOTAL TAXABLE GOODS & SERVICES			$ 310,194,000	$ 27,141,975

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:	30.140778	
Tax Rate for Municipality where facility is located:	1.119514	
Tax Rate for County:	8.474534	
Total Rate:	39.734826	
Annual Real Property Taxes Generated by Employees:	$ 1,659,008	

COSTS:

Real Property Taxes Abatement	$ 17,653,613.00	(10 years)
Mortgage Tax Abated (.75%)	$ 115,000.00	(EDGE Mortgage on PIF)
Estimated Sales Tax Abated During Construction Period (8.75%)	$ 32,812,500.00	
Total:	$ 50,581,113.00	

49 yr PILOT Benefit $69,947,356

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.