

Transcript Document No. 16(a)

**Final Authorizing Resolution
EDGE Flex Space Facility at Marcy
Nanocenter**

Date: March 6, 2024

At a meeting of the Oneida County Industrial Development Agency (the "Agency") held at 584 Phoenix Drive, Rome, New York 13441 on March 6, 2024, the following members of the Agency were:

Members Present: Steve Zogby, David Grow, James Genovese, Aricca Lewis, Kristen Martin, Tim Reed.

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

Others Present: Jenna Peppenelli, Levitt & Gordon.

Others Present Webex: Laura Ruberto and Linda Romano, Bond, Schoeneck & King; Paul Goldman, Goldman Attorneys PLLC.

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to proposed financial assistance to Economic Development Growth Enterprises Corporation (Flex Space Facility at Marcy Nanocenter).

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

Voting Aye

Steve Zogby
David Grow
James Genovese
Aricca Lewis
Kristen Martin
Tim Reed

Voting Nay

RESOLUTION AUTHORIZING THE AGENCY TO EXECUTE THE LEASE AGREEMENT, THE LEASEBACK AGREEMENT, THE PAYMENT-IN-LIEU-OF-TAX AGREEMENT, THE ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT, THE RECAPTURE AGREEMENT, THE PILOT MORTGAGE AND RELATED DOCUMENTS WITH RESPECT TO THE ECONOMIC DEVELOPMENT GROWTH ENTERPRISES CORPORATION (FLEX SPACE AT MARCY NANOCENTER) FACILITY LOCATED IN THE TOWN OF MARCY, ONEIDA COUNTY.

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

WHEREAS, Economic Development Growth Enterprises Corporation, on behalf of itself and its principals (collectively, the "Company" and sometimes referred to as "EDGE"), or an entity to be formed on behalf of any of the foregoing has applied to the Agency to enter into a transaction in which the Agency will assist in construction of a 60,281± square foot single story Flex Space building including loading docks and all utilities and infrastructure to support the same (collectively, the "Improvements") on a 17± acre portion of a parcel of land situate at 2049 Wafer Loop Road in the Town of Marcy, Oneida County, New York (the "Land"); and acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), to provide adaptable logistics/warehousing space for supply chain companies for the purpose of supporting the semiconductor and advanced electronics industry and in furtherance of the master plan for the Marcy Nanocenter site (the Land, the Improvements and the Equipment is referred to collectively as the "Facility" and the construction and equipping of the Improvements is referred to as the "Project"); and

WHEREAS, the Agency will acquire a leasehold interest in the Facility pursuant to a Lease Agreement from the Company to the Agency (the "Lease Agreement") and lease the Facility back to the Company pursuant to a Leaseback Agreement from the Agency to the Company (the "Leaseback Agreement"); and

WHEREAS, the Company will further sublease 40,705± square feet of the Facility to Danfoss Silicon Power LLC (the "Danfoss Sublessee") for its operation, to support the continued growth of the Danfoss Sublessee at the Quad C facility at SUNY Poly (the "Quad C Facility") pursuant to a Sublease Agreement between the Company and the Danfoss Sublessee (the "Danfoss Sublease Agreement"), the terms of which provide for up to a 20 year sublease term and gives the Danfoss Sublessee the option to terminate early under certain conditions; and

WHEREAS, the Company intends to further sublease the remaining leasable square feet of the Facility to another user or users (which may include the Danfoss Sublessee) relating to growing a regional ecosystem for the semiconductor and

advanced electronic industry (the Danfoss Sublessee and any other user or users are referred to collectively as the “Sublessees” and any one is referred to as a “Sublessee”); and

WHEREAS, the Agency by resolution duly adopted on December 8, 2023 as supplemented on February 9, 2024 (collectively, the “Inducement Resolution”) decided to proceed under the provisions of the Act to lease the Facility and directed that public hearings be held and enter into the Lease Agreement and Leaseback Agreement; and

WHEREAS, the Agency conducted public hearings on January 18, 2024 and March 5, 2024 and has received all comments submitted with respect to the Financial Assistance and the nature and location of the Facility; and

WHEREAS, the Agency contemplates that it will provide financial assistance in the form of exemptions from mortgage recording taxes and exemptions from sales and use taxes on materials and/or the Equipment used or incorporated in the Facility; and

WHEREAS, the Agency contemplates that it will make provision for payments-in-lieu-of-taxes (the “PILOT Payments”) by the Company and/or the Sublessees to the Agency pursuant to a Payment-In-Lieu-of-Tax Agreement (the “PILOT Agreement”), which PILOT Payments are to be allocated by the Agency in accordance with the terms of an Agreement Approving PILOT Terms and Allocating PILOT Payments dated as of October 1, 2013 by and among the County of Oneida, Whitesboro Central School District, the Town of Marcy, Maynard Fire District, Dunham Public Library (each an “Affected Tax Jurisdiction” and collectively, the “Affected Tax Jurisdictions”), the Agency and EDGE (the “Allocation Agreement”); and

WHEREAS, in accordance with the Allocation Agreement and based upon existing projections, the Company shall pay approximately \$7,389,180.00 in PILOT Payments over 49 years (which figure may be updated from time to time); and

WHEREAS, the payments under the PILOT Agreement will be a first-priority lien on the Facility, secured by a PILOT Mortgage from the Agency and the Company to the Agency, for the benefit of the Taxing Authorities (the “PILOT Mortgage”); and

WHEREAS, the value of the Financial Assistance is described below:

- i. Sales and use tax exemption estimated at \$61,250.00; and
- ii. Mortgage recording tax exemptions estimated at \$66,060.00.

WHEREAS, the Company represented that it will create and retain (or cause the Danfoss Sublessee to create and retain) the following full time equivalent (“FTE”) positions: (a) create 51 FTEs between the Facility and the Quad C Facility prior to the commencement of the third lease year and maintain all for the term of the Danfoss Sublease Agreement; and (b) retain 295 FTEs between the Facility and the Quad C

Facility for the term of the Danfoss Sublease Agreement, all as a result of the Company undertaking the Project (the "Employment Obligation"); and

WHEREAS, the Financial Assistance is a deviation from Agency's Uniform Tax Exemption Policy (the "Policy") and the Agency has determined to deviate from Policy for the following reasons that were set forth in the Inducement Resolution:

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

Pursuant to the PILOT Allocation Agreement, each year an ever-increasing portion of the PILOT Payments made to the Agency are allocated and paid over by the Agency to the affected taxing jurisdictions (including a 2% community host payment to the Town of Marcy).

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

WHEREAS, by letters dated January 5, 2024 and February 23, 2024 the Agency provided written notices to the Affected Tax Jurisdictions enclosing the Inducement Resolution, which described the Financial Assistance and the reasons it is deviating from the Policy; and

WHEREAS, EDGE has agreed to finance a portion of the costs of the Facility by undertaking certain site work in furtherance of the Project (the "EDGE Project Related Debt"); and

WHEREAS, pursuant to the terms of the Allocation Agreement, the Agency must approve the EDGE Project Related Debt prior to it being incurred by EDGE; and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities which may arise in connection with the Project and the Agency's leasehold interest in the Facility.

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

Section 1. The Agency hereby finds and determines:

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

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

(c) The acquisition, construction and equipping of the Facility, the leasing of the Facility to the Company and the Agency's Financial Assistance with respect thereto, will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Oneida County and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(d) The acquisition, construction, equipping and financing of the Facility is reasonably necessary to induce the Company and the Sublessees to maintain and expand their respective business operations in the State of New York; and

(e) Based upon representations of the Company and Company's Counsel, the Facility conforms with the local zoning laws and planning regulations of Oneida County and all regional and local land use plans for the area in which the Facility is located; and

(f) The SEQRA findings adopted by the Agency on December 18, 2023 encompassed the actions to be undertaken by this resolution and no changes have been made to the proposed action that would create new or increased adverse environmental impacts; and

(g) It is desirable and in the public interest for the Agency to undertake the Project; and

(h) The Lease Agreement is an effective instrument whereby the Company grants the Agency a leasehold interest in the Facility; and

(i) The Leaseback Agreement is an effective instrument whereby the Agency leases the Facility back to the Company; and

(j) The PILOT Agreement, in form satisfactory to the Chairman and Agency Counsel, will be an effective instrument whereby the Agency, the Company and the Danfoss Sublessee set forth the terms and conditions of their Agreement regarding the Company's and the Danfoss Sublessee's payments in lieu of real property taxes; and

(k) The Environmental Compliance and Indemnification Agreement (the "Environmental Compliance and Indemnification Agreement") between the Agency, the Company and the Danfoss Sublessee will be an effective instrument whereby the Company and the Danfoss Sublessee agree to comply with all Environmental Laws (as defined therein) applicable to the Facility and will indemnify and hold harmless the Agency for all liability under all such Environmental Laws; and

(l) The Job Creation and Recapture Agreement (the "Recapture Agreement") between the Agency, the Company and the Danfoss Sublessee will be an effective instrument whereby the Company and the Danfoss Sublessee agree that the Financial Assistance is conditioned upon the Company and/or the Sublessee achieving the Employment Obligation; and

(m) The PILOT Mortgage will be an effective instrument whereby the Company and the Agency mortgage the Facility to the Agency, for the benefit of the taxing jurisdictions, to secure payments under the PILOT Agreement as a first-priority lien.

Section 2.

(a) In consequence of the foregoing, the Agency hereby determines to: (i) acquire a leasehold interest in the Facility pursuant to the Lease Agreement, (ii) execute, deliver and perform the Lease Agreement, (iii) lease the Facility back to the Company pursuant to the Leaseback Agreement, (iv) execute, deliver and perform the Leaseback Agreement, (v) execute, deliver and perform the PILOT Agreement, (vi) execute and deliver the Environmental Compliance and Indemnification Agreement, (vii) execute, deliver and perform the Recapture Agreement, (viii) execute, deliver and perform the PILOT Mortgage; and (ix) deviate from the Policy and provide the Financial Assistance to the Company in support of the Project.

(b) The Agency must approve the EDGE Project Related Debt prior to entering into documents relating to the EDGE Project Related Debt and conferring mortgage recording tax exemption with respect to the EDGE Project Related Debt

Section 3. The Agency is hereby authorized to accept a leasehold interest in the real property described in Exhibit A to the Lease Agreement and the personal property described in Exhibit B to the Lease Agreement, and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 4. The form and substance of the Lease Agreement, the Leaseback Agreement, the Environmental Compliance and Indemnification Agreement, the Recapture Agreement, the PILOT Agreement and the PILOT Mortgage (each in substantially the Agency's standard forms with such changes that may be approved by counsel) are hereby approved.

Section 5.

(a) The Chairman, Vice Chairman, Secretary or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Lease Agreement, the Leaseback Agreement, the Environmental Compliance and Indemnification Agreement, the Recapture Agreement, the PILOT Agreement and the PILOT Mortgage, all in substantially the forms approved at this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Secretary or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "Closing Documents"). The execution thereof by the Chairman, Vice Chairman, or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Vice Chairman, Secretary or member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional

Authorized Representatives of the Agency (as defined in and pursuant to the Leaseback Agreement).

Section 6. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Closing Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Closing Documents binding upon the Agency.

Section 7. This resolution shall take effect immediately.

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

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

That I have compared the annexed extract of the minutes of the meeting of the Agency, including the resolutions contained therein, held on March 6, 2024 with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

That the Lease Agreement, the Leaseback Agreement, the Environmental Compliance and Indemnification Agreement, the Recapture Agreement, the PILOT Agreement and the PILOT Mortgage contained in this transcript of proceedings are each in substantially the form presented to the Agency and/or approved by said 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, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand as of December 20, 2024.

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 

Shawna M. Papale, Secretary