

INSTRUCTIONS AND INFORMATION (Rev. 12/13/2022)

1. Please note that Public Officers Law Article 6 states that all records in the possession of the Herkimer County Industrial Development Agency (Agency) are open to public inspection and copying. If you feel that certain sections of the Project Application should be withheld from public inspection, please notate accordingly to request such sections be kept confidential.
2. New laws have been established in regards to record keeping, reporting, and recapture requirements for IDA's that authorize sales tax exemptions to a Project Operator or Agent. The Agency must now keep a record of the amount of sales tax benefits provided to each Project and make those records available to the State upon request. Also, within 30 days of providing financial assistance to a Project, the Agency must report to the State the amount of sales tax benefits intended to be provided to a Project. It is now a requirement of the State that the Agency post on the internet and make available without charge copies of its resolutions and project agreements and documents.
3. If you are requesting a sales tax exemption from the Agency as part of your application for assistance, you must include a realistic estimate of the value of the savings anticipated. **IT IS IMPERATIVE THAT THE SALES TAX ESTIMATES IN THE APPLICATION BE AS REALISTIC AS POSSIBLE.** This is the number that will be provided to the state.
4. The state requires that the Agency recapture any state sales tax benefits given if: a. the project was not entitled to receive benefits; b. the exemptions exceed the amount authorized or were claimed for unauthorized property or services; c. the Project Operator failed to use the property or services in a manner indicated by its agreement with the Agency.
5. It is important that the Application is completed in its entirety leaving no blanks. If the question is not applicable, please note n/a.
6. If more space is needed for a particular answer, please attached a separate sheet.
7. The Agency non-refundable general application fee is \$500. The Market Rate Housing Benefit fee due with the application is \$1,500 which includes a non-refundable application fee of \$500 and a commitment fee of \$1,000 that will be applied at closing; if the project does not close, the \$1,000 is not refundable.
8. Agency fees are assessed at 1% of the total project cost.
9. The Agency will collect ½ (one-half) of the project fee at the time of signing of an inducement agreement. The final half of the Agency fee will be payable at which time the project closing takes place.
10. The applicant is responsible for all Agency legal fees related to this project.
11. Should your company for any reason decide to withdraw this application for financial assistance after submission but prior to completion, you will be responsible for any legal fees involved up to the time of withdrawal. Also, the Agency will assess a fee for services rendered and costs incurred to date.
12. The Agency will assess your company an annual administration fee to cover ongoing compliance and oversight functions in the form of rent under the Lease Agreement in the amount of \$750 for general projects; \$1,500 for solar projects in years 1-5, then increased by \$500 every five years throughout the duration of the project; \$1,500 for housing projects in years 1-5, then increased by \$500 every five years throughout the duration of the project.

13. In accordance with section 224-a(8)(d) of article 8 of the New York Labor Law, the Agency has identified that any “financial assistance” (within the meaning of section 858 of the General Municipal Law) granted by the Agency to the Applicant consisting of sales and use tax exemption benefits, mortgage recording tax exemption benefits and real property tax exemption benefits, constitutes “public funds” within the meaning of section 224-a(2)(b) of Article 8 of the New York Labor Law and such funds are not excluded under Section 224-a (3) of Article 8 of the New York Labor Law. The Agency hereby notifies the Applicant of the Applicants obligations under Section 224-a (8)(a) of Article 8 of the New York Labor Law.



APPLICATION TO
HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY
FOR FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION:

Company Name: ELG Utica Alloys Holding Corporation
Address: 378 Gros Blvd., Suite 3, Herkimer, New York 13350
Product/Services: Sourcing, processing, and supplying high-performance alloys and metals
Phone No.: 315-520-9123 Fax No.: 315-574-1690
Email Address: jay.williams@elguticalloys.com
Fed ID No.: 26-2873650 NAICS Code: 331492
Contact Person/Title: Jay Williams/ Vice President of Operations

Principal Owners/Officers/Directors:
(list owners with 15% or more in equity holdings with percentage ownership)

Table with 3 columns: Name, Title, Percentage. Rows include ELG Utica Alloys International GmbH (Shareholder, 100%), Carsten Becker (CEO, 0%), and Lu Anne Green (COO, 0%).

Corporate Structure (attach schematic if Applicant is a subsidiary or otherwise affiliated with another entity)

Form of Entity:

- Corporation (checked)
Partnership (General or Limited; number of general partners and, if applicable, number of limited partners).
Limited Liability Company/Partnership (number of members).
Sole Proprietorship

If a corporation, partnership, limited liability company/partnership:

Date of establishment 7/1/2008

Place of organization New York

If a foreign organization, is the Applicant authorized to do business in the State of New York? N/A

APPLICANTS' COUNSEL

Name: Alexander Kehl
Address: Kremerskamp 16 47138 Duisburg, Germany
Phone No.: +49 203 4501 328
Telefax No.:
Email: alexander.kehl@elgmetals.com

II. PROJECT INFORMATION**A) Describe the proposed project, acquisition, construction or reconstruction in as much detail as possible.**

The demand for ELG Utica Alloys Holding Corporation's ("ELG") services has risen beyond the capability of ELG's current facilities—located in Frankfort and Herkimer. ELG's Frankfort facility is overwhelmingly space-constrained—creating concerns with operational efficiency and safety. To meet the rise in demand and ELG's goals of improving operational efficiency, ELG is proposing a project to consolidate its operations to its Herkimer facility. ELG plans to acquire and renovate 145,000 sq. ft. of a vacant building located onsite and demolish 109,875 sq.ft. of the same building. ELG currently owns 8.2 acres and will be purchasing an additional 53.6 acres. Moving operations from the Frankfort facility to the adjacent vacant building in Herkimer will significantly improve the efficiency of ELG's operations by eliminating the need to transport material between two facilities—currently an 8-mile distance in one direction. Additionally, this move will add about 100,000 sq.ft. of additional storage space for ELG, add an estimated 10 new jobs, reduce transportation and rental costs, and improve operational efficiency by having all materials and processing located on the same site. Consolidation of operations to a single site is expected to reduce sorting requirements, eliminate the transportation of material about 8 miles between facilities, reduce total freight costs by ~\$50,000/year, increase safety awareness for storage of incoming and outgoing material, eliminate a warehouse lease that costs \$396,696/year, and create additional processing and storage capacity.

B) Project Description (check all applicable)

- Manufacturing**
 Warehousing/Distribution
 Tourism Destination Facility
 Retail*
 Other – Specify _____

*If the Project has a retail component, please complete part VI of this application – the Retail Questionnaire.

C) Name of all sub-lessees or other occupants of the facility:

None.

D) Principals of any sub-lessee or occupant.

N/A

III. COST BENEFIT ANALYSIS:**A) Estimate Project Costs (where applicable)**

1. Land	\$ 250,000
2. Building	\$ 1,850,000
3. Renovation Costs	\$ 5,667,200
4. Machinery and Equipment	\$ 70,000
5. Soft Costs	\$ 175,000
6. Legal Costs	\$ 25,000
7. Other (specify)	\$ _____
Total Estimated Project Amount	\$ 8,037,200

Of the above amount, total dollar value of labor and materials to be sourced within the Mohawk Valley Regional Economic Development Council Region (Herkimer, Oneida, Fulton, Montgomery, Schoharie, and Otsego Counties) \$ 800,000

B) Financing (Source of funds where applicable)

Bank	\$ _____
Private Funds Invested	\$ 6,569,200
Industrial Revenue Bond	\$ _____
Other	\$ (Applied for ESD Funds) \$1,468,000
Total (should equal III. A)	\$ 8,037,200

C) Financial Assistance Requested (Proposed Benefit Estimates) (Please note n/a in any line where you are not seeking assistance)

Type of Financing: Tax-Exempt Taxable Straight Lease

Amount of Bonds Requested: \$ N/A _____

Amount of New Mortgage (s) required for project: \$ N/A _____

Project-Related Costs Subject to Sales Tax: \$ 3,470,320 _____

Estimated Value of Tax Exemptions:

1. NYS Sales and Compensating Use Tax (State 4% + Local 4.25% = Total 8.25%)	\$ 286,301
2. Mortgage Recording Taxes (1% of total proposed mortgage amount)	\$ 0

3. **Real Property Tax Exemptions** \$ _____
 (See “Property Tax Exemption” table below,
 Column C minus Column B. The Agency can
 assist with this estimation at your request.)
4. **Estimated interest savings on Issuance by the** \$ 0
Agency of Industrial Revenue Bonds
- Total Estimated Value of Tax Exemptions** \$ _____

D) Real Property Tax Exemption

Please use the table below to list estimated real property exemption by year. In ‘Column A’ enter the tax revenue generated by all applicable parcels absent a project. Typically, this value is calculated for the current year and then escalated at 2% per year for the duration of the would-be PILOT term. In ‘Column B’ enter the estimated value of the PILOT payments for each year through the duration of the PILOT term. In ‘Column C’ enter the property taxes that the Project would otherwise pay, but-for the PILOT abatement, on the full assessed value. Typically, this value is calculated for the current year and then escalated at 2% a year for the PILOT term. Each column should have an equal number of entries for the entire length of the of PILOT.

Year	<u>Column A</u> Property Tax Without the Project	<u>Column B</u> Estimated PILOT Payments	<u>Column C</u> Estimated Property Taxes on Full Assessment
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

Attach more sheets as necessary.

Column A: The amount of tax due in each year if the Project that is the subject of this application does not occur.

Column B: The estimated PILOT amounts for each year.

Column C: The hypothetical value of property tax payments as if the Project moves forward and the property is fully taxable.

E) Employment Information/Job Creation

*The Agency uses the following standard when reporting **FTE – Full Time Equivalent** jobs: Full-time equivalent is a ratio that compares the number of hours worked during a pay period by an employee to the number of work hours during the pay period that equates to full time employment. For example, an employee who works hours equal to full time is 1.0 FTE. An employee who works half the hours of full-time employment is 0.5 FTE, while an employee that works one-third the hours of full-time employment would be considered .3 FTE. Please contact the Agency for assistance if needed.*

Please estimate the number of jobs (both retained and created) associated with the operations of the Project subject to this application:

Previous Year	Current Year	Year 1	Year 2	Year 3
82	82	87	92	92

For year 3, total number of jobs retained: FTE 82

For year 3, total number of jobs created: FTE 10

For the jobs that will be created and retained as a result of this project, please provide more information below.

The tables below capture the number of jobs created and retained in the first three years of operations as the Project reaches employment stability. Do not include construction phase employment below. Also note, the following tables should be **cumulative**. In other words, jobs that are created in Year 1 and expected to be retained through Year 3, should be included in each of the three tables below. Therefore, in most cases, job counts in Year 3 should be greater than, or equal to, jobs in Year 1.

In the 'Description' tab please enter the job title for each position. In the 'NAICS Code' column enter the NAICS code associated with each position. If NAICS Code is unknown, please use the keyword search function in the following link to find the most appropriate code: <https://www.census.gov/naics/>. Enter the **cumulative** job count and the average salary for each position in the 'Count' and 'Average Salary' columns respectively. Attached additional sheets as needed.

Year 1

Description	NAICS Code	Job Count	Average Salary
Engineer	541330	1	75,000
Quality Lab Technician	541380	1	50,000
Maintenance Technician	811000	1	55,000
General Labor	561300	2	36,000

Year 2

Description	NAICS Code	Job Count	Average Salary
1st Line Supervisor	5511	1	70,000
General Laborer	561300	6	36,000
Engineer	541330	1	75,000
Quality Lab Technician/Maintenance Technician	541380/811000	1/1	50,000/55,000

Year 3 (Stabilization and thereafter)

Description	NAICS Code	Job Count	Average Salary
1st Line Supervisor	5511	1	70,000
General Laborer	561300	6	36,000
Engineer	541330	1	75,000
Quality Lab Technician/Maintenance Technician	541380/811000	1/1	50,000/55,000

Note: Enter the entire created/retained job count for the Project in Year 3, even if full employment won't occur until a later year.

Please note any proposed fringe benefits for jobs to be created by job title.

Estimate number of construction jobs to be used for this project: FTE 65

F) Other Benefits

In this section, please list any other public and/or private benefits associated with the Project. Wherever possible, please quantify those benefits. (If necessary, please use an attachment to describe and quantify those amounts for each year of the PILOT.) Examples of such quantifiable benefits would include hotel occupancy tax, retail sales tax, host community benefit payments, etc. Please also describe any non-quantifiable benefits if applicable.

Other Public Benefits: The Mohawk Valley continues to be NYS' most prolific manufacturing and distribution region, including the aerospace industry that ELG serves by providing high performance metal alloys.

The project will support the MVREDC's strategy of making targeted investments in the advanced manufacturing sector to build new regional wealth in this sector. In addition, the project will help to sustain additional investment in the region and mitigate supply chain disruptions.

This project will allow ELG to meet current customer demand, support future customer demand and create jobs—a community investment of over \$8 million. With the completion of this project, sales are expected to increase.

As with public benefits, please list any quantifiable or non-quantifiable benefits that accrue to private individuals (royalty payments, solar lease payments, etc.)

Other Private Benefits: _____

IV. PROJECT LOCATION/UTILITIES/IMPACT

A) **Project Address:** 378 Gros Blvd, Suite 1
Herkimer, NY 13350

B) **Are Utilities on Site**
Water Electric
Gas Sanitary/Storm Sewer

C) **Present legal owner of the site** Herkimer Distribution LLC.

D) **Zoning of Project Site: Current:** Commercial **Proposed:** Commercial.

E) **Are any variances needed:** No.

F) **Principal use of Project upon completion:** Manufacturing.

G) **Will the Project result in the removal of a plant or facility of the Applicant from one area of the State of New York to another?** No.

H) **Will the Project result in the removal of a plant or facility of another proposed occupant of the Project from one area of the State of New York to another area of the State of New York?** No.

I) **Will the Project result in the abandonment of one or more plants or facilities located in the State of New York?** Yes, ELG's current facility in Frankfort, NY.

If you answered yes to G-H or I please indicate whether the project is reasonably necessary for the company to maintain its competitive position in the industry. Please explain in detail. Attach supporting documentation.

The demand for ELG's services has risen beyond the capability of ELG's current facilities. Presently, ELG's Frankfort facility is overwhelmingly space constrained. Without moving to a new location, ELG will need to place limits on its production and storage to ensure it can keep its staff safe while fulfilling customer demands. Doing this risks ELG falling behind on demand resulting in supply chain shortages and loss of business. A loss of business would be extremely detrimental to the Herkimer and Mohawk Valley region as ELG—a large global company—will be forced out of the region, breaking the location's long sustaining source of employment and business throughout the region. Without the project, ELG will be forced to consider consolidating its facility outside the State, jeopardizing the current 82 jobs it provides and stunting the economic growth of the region.

V. REPRESENTATIONS BY THE APPLICANT:

The Applicant understands and agrees with the Agency as follows:

- A.) **Job Listings.** 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 Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the “DOL”) and with the administrative entity (collectively with the DOL, the “JTPA Entities”) of the service delivery area created by the federal job training partnership act (Public Law 97-300) (“JTPA”) in which the Project is located. The IDA encourages to the fullest extent possible, the hiring of local labor for all construction projects.
- B.) **Annual Sales Tax Filings.** In accordance with Section 874(8) 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. A copy of such form should be provided to the Agency annually upon submission to the State.
- C.) **Sales Tax Tracking.** The Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance that they will submit to the Agency, a quarterly tracking form (form will be provided) listing all sales tax savings incurred to allow for the Agency to monitor and report to the State as required.
- D.) **Recapture of Benefits.** The Applicant understands and agrees that the benefits received from tax abatements/exemptions shall be subject to recapture in accordance with the Agency’s tax exemption policy. The Agency reserves the right to include in the transaction documents the recapturing of the total value of real property/sales tax exemptions approved for a Project if any of the following conditions arise:
- a. The Project Facility as defined in the PILOT/Lease Agreement is sold or closed and the Applicant leaves or departs Herkimer County.
 - b. There is a significant change in the use of the Project Facility and/or business activities of the Applicant.
 - c. There is a significant reduction in the number of full/part-time jobs at the Project Facility in comparison to what was estimated in the Applicant’s Project Application that are not reflective of the Applicant’s normal business cycle or national economic conditions.
 - d. The Applicant fails to fully comply with all periodic and/or annual reporting requirements of the Agency, State or Federal government.
 - e. The Applicant failed to achieve any minimal new job creation figures specified by and within the time frames specified by the Agency

- E.) **Annual Employment 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 in addition to any additional project information as may be required. The Chief Executive Office shall submit to the Agency prior to February 1st of each year, a written certification setting forth:
- a. Number of full-time equivalent employees at the Project location as of the last date of the prior year
 - b. Number of construction jobs during the fiscal year as a result of the Project
- F.) **Absence of Conflicts of Interest.** The Applicant has received from the Agency a list (see pages 23-24) of the members, officers and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:
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VI. RETAIL QUESTIONNAIRE (if applicable):

(To be completed by Applicant indicated retail component of the Project in Part II, Question B of this application).

- A.) Will any portion of the Project (including that portion of the cost to be financed from equity or sources other than Agency financing) consist of facilities or property that are or will be primarily used in making retail sales to customers who personally visit the Project?

YES NO

For purposes of Question A, the term "retail sales" means (i) sales by a registered vendor under Article 28 of 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.) If the answer to Question A is YES, what percentage of the cost of the Project (including that portion of the cost to be financed from equity or sources other than Agency financing) will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project?

_____ %

- C.) If the answer to Question A is YES, and the amount entered for Question B is greater than 33.33%, indicate whether any of the following apply to the Project:

1. Is the Project likely to attract a significant number of visitors from outside the economic development region (i.e., Onondaga and Albany Counties) in which the Project is or will be located?

YES NO

2. 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 city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services?

YES NO

3. Will the Project be located in one of the following: (a) an area designated as an empire zone pursuant to Article 18-B of the General Municipal Law; or (b) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (i) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of the households receiving public assistance, and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates?

YES NO

If the answer to any of the subdivisions 1 through 3 of Question C is YES, attach details.

D.) If the answer to any of the subdivisions 2 through 3 of Question C is YES, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? If YES, attach details.

YES NO

E.) State percentage of the Applicant's annual gross revenues comprised of each of the following:

Retail Sales: _____% Services: _____%

F.) State percentage of Project premises utilized for same:

Retail Sales: _____% Services: _____%

VII. FINANCIAL INFORMATION (attach the following):

1. Financial Statements for the last three fiscal years.
2. Proforma balance sheet as at start of operations at project site.
3. Projected profit and loss statements for first two years of operation at project site.
4. Projected "cash flow" statement, by quarters, for first year of operation at project site.
5. Detailed site plans
6. Construction budgets or contractor estimates
7. Evidence of current employment, such as NYS-45 Quarterly Report

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.

Applicant: ELG Utica Alloys Holding Corp.

Date: 05/24/2023

By: 

Name: Jay Williams

Title: Vice President of Operations

Submit this application with a general application fee of \$500.00. If this application is for Market Rate Housing Benefits, please submit \$1,500.00 which includes a non-refundable application fee of \$500.00 and a commitment fee of \$1,000.00 that will be applied at closing; if the project does not close the \$1,000.00 is not refundable. Make check payable to: Herkimer County Industrial Development Agency, 420 E. German Street, Suite 101A, Herkimer, New York 13350, to the attention of John J. Piseck, Jr., Chief Executive Officer. The Agency will collect ½ (one-half) of its Project Fee at the time of the signing of an inducement agreement. The final half of the Agency fee will be payable at which time the HCIDA takes title to the Facility, or upon issuance of bonds. The applicant will also be responsible for all HCIDA legal fees related to this project. Should your company for any reason decide to withdraw this application for financial assistance after submission but prior to completion, you will be responsible for any legal fees involved to that point. In addition, the Agency will assess a fee for services rendered and costs incurred.

Agency fees will be assessed at 1% of the total project cost.

The Agency will assess your company an annual administration fee in the form of rent under the Lease Agreement in the amount of \$750.00 for general projects; \$1,500 for solar projects in years 1-5, then increased by \$500 every 5 years throughout the duration of the project; \$1,500 for housing projects in years 1-5, then increased by \$500 every five years throughout the duration of the project.

Please call 315-866-3000 with any questions

“This institution is an equal opportunity provider, employer and lender”

HOLD HARMLESS AGREEMENT

Applicant hereby releases the Herkimer County Industrial Development Agency and the members, officers, servants, agents and employees thereof (the "Agency") 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 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.

ELG Utica Alloys Holding Corporation

(Applicant)

05/24/2023

(Date)

Jay Williams

(By)

Jay Williams

(Name)

Vice President of Operations

(Title)

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

On the 24 day of May, in the year 2023, before me, the undersigned a Notary Public in and for said State, personally appeared Jay Williams, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individuals, or the person or behalf of which the individuals acted, executed this instrument.

Tracy J. Herringshaw

Notary Public

Tracy J. Herringshaw
Notary Public - State of New York
No. 01HE6380383
Qualified in Herkimer County
Commission Expires September 4, 2026



HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY PROJECT MONITORING AND ENFORCEMENT

SECTION 1 PURPOSE AND AUTHORITY

The purpose of this Part is to outline the procedures utilized by Herkimer County Industrial Development Agency (the “Agency”) pursuant to Section 898 of Title 2 of Article 18-A of the General Municipal Law and Title 1 of Article 18-A the General Municipal Law (collectively, the “Act”) to (A) monitor compliance with Agency requirements relating to the exemptions from certain sales and use taxes, real property taxes, real property transfer taxes and mortgage recording taxes (the “Financial Assistance”) provided for authorized projects and (B) review satisfaction of the Agency requirements relating to job creation, retention and reporting. Under the Act, the Agency was created in order to advance the job opportunities, health, general prosperity, and economic welfare of the residents of Herkimer County, New York (the “County”) and the State of New York (the “State”) and to improve their standard of living.

SECTION 2 JOB CREATION, RETENTION, AND PUBLIC BENEFITS

When considering applications for Financial Assistance, the Agency will consider and review the job creation and retention information contained in the application completed by the applicant. Further, the applicant for each approved project must enter into a uniform agency project agreement with the Agency (the “Uniform Agency Project Agreement”) where the applicant agrees (A) that the amount of Financial Assistance to be received shall be contingent upon, and shall bear a direct relationship to the success or lack of success of such project in delivering certain described public benefits (the “Public Benefits”) and (B) the Agency will be entitled to recapture some or all of the Financial Assistance granted to the applicant if the project is unsuccessful in whole or in part in delivering the promised Public Benefits.

SECTION 3 REQUIREMENTS OF THE APPLICANT

(A) Background. Under the Act, the Agency is required to submit certain annual reports relating to Agency projects to the Office of the New York State Comptroller and to the New York State Authorities Budget Office. In order to satisfy its annual reporting requirements and other requirements under the Act, as well as policies of the Agency, the Agency will require applicants for Financial Assistance to satisfy the requirements described in Section ___03(B) below.

(B) Applicant Requirements. Each applicant for Financial Assistance from the Agency will agree to satisfy the following requirements as a condition to the receipt of such Financial Assistance:¹

(1) Except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the “DOC”) and with the administrative entity (collectively with the DOC, the “JTPA Entities”) of the service delivery area created by the federal job training partnership act (Public Law 97-300) (“JTPA”), as replaced by the Workforce Investment Act of 1998 (Public Law 105-___0), where the Project is located.

¹ The requirements described in Section 3(B)(9) are applicable for projects where the application was received by the Agency after March 19, 2015, unless otherwise required in the documents entered into by the Agency with the project applicant.

(2) Except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in the JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the project.

(3) The applicant agrees, whenever requested by the Agency, to provide and certify or cause to be provided and certified such information concerning the Applicant, its finances and other topics as the Agency from time to time reasonably considers necessary or appropriate, including, but not limited to, such information as to enable the Agency to make any reports required by law or governmental regulation.

(4) Within sixty (60) days after the end of each calendar year, the applicant shall furnish to the Agency a certificate of an Authorized Representative of the applicant stating that no event of default under an installment sale agreement or a lease agreement (hereinafter collectively referred to as the "Project Agreement") has occurred or is continuing or, if any event of default exists, specifying the nature and period of existence thereof and what action the applicant has taken or proposes to take with respect thereto, and setting forth the unpaid principal balance of any bonds and accrued but unpaid interest thereon and that no defenses, offsets or counterclaims exist with respect to the indebtedness evidenced thereby.

(5) The applicant shall insure that all employees and applicants for employment with regard to the project are afforded equal employment opportunities without discrimination.

(6) Pursuant to the requirements of subsection one of Section 6 of Chapter 127 of the 1995 Laws of the State, the applicant agrees to file with the Agency, no later than sixty (60) days after the end of each calendar year, reports regarding the number of people employed at the project facility and certain other matters, the said report to be in substantially the form annexed as Schedule A attached hereto.

(7) Pursuant to Section 874(8) of the Act, the applicant agrees to annually file and cause any other directly appointed operator of the project facility to file annually, with the New York State Department of Taxation and Finance, on a form and in such manner as is prescribed by the New York State Commissioner of Taxation and Finance ("Form ST-340"), a statement of the value of all sales and use tax exemptions claimed by the applicant and all contractors, subcontractors, consultants and other agents of the applicant under the authority granted to the applicant pursuant to an installment sale agreement and/or a lease agreement and/or a final inducement resolution and/or a sales tax exemption letter.

(8) The applicant agrees, if applicable, within sixty (60) days of the end of each calendar year, to furnish to the Agency a copy of each ST-340 submitted to the New York State Department of Taxation and Finance by the applicant pursuant to Section 874(8) of the Act.

(9) The applicant agrees, within sixty (60) days of the end of each calendar year until the project is terminated, to furnish to the Agency a copy of the NYS-45 – Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return – for the quarter ending December 31 (the "NYS-45"), and the US Dept. of Labor BLS 3020 Multiple Worksite report, if applicable.

(10) The applicant agrees, whenever requested by the Agency, to provide and certify or cause to be provided and certified such information concerning the participation of individuals from minority groups as employees or applicants for employment with regard to the project.

SECTION 4 PROJECT MONITORING

(A) Monitoring. Agency project monitoring shall include but not be limited to the following:

(1) requesting and reviewing the items outlined in Section ___03(B) and any and all items required to be submitted by an applicant pursuant to the following, including but not limited to: statute, Agency policy, a Project Agreement, or a Uniform Agency Project Agreement; and

(2) confirming with the applicable Assessor for each active Agency project the status of any unpaid payment in lieu of tax (“PILOT”) payments; and

(3) providing for on-site visits of projects identified by the Agency in the calendar year.

(B) Annual Reports. Within seventy-five (75) days after the end of each calendar year, the staff of the Agency will provide the Agency with an annual report describing the compliance by applicants with the requirements described in Section ___03(B) above and the results of the project monitoring described in Section ___04(A), including the filing of annual reports, the amount of sales tax exemption received for a project, and the number of jobs created and retained by the applicant.

(C) Agency Review. The Agency will review the report prepared by the staff of the Agency at a regular meeting of the Agency. After the review of the report prepared by the staff of the Agency, the Agency will take such action as it deems necessary, including but not limited to, (1) scheduling meetings with applicants to review non-compliance and to discuss remedial actions, (2) considering enforcement action against applicants that fail to comply with the requirements described in Section ___03(B) above, as described in Section ___05 below, (3) considering enforcement action against applicants based on the results of the project monitoring described in Section ___04(A), as described in Section ___05 below, and (4) preparation of letters of commendation or other forms of congratulation to those applicants that have created and/or retained jobs consistent with (or in excess of) the estimates contained in the applicant’s original application to the Agency.

(D) PILOT Agreements. (1) Prior to distribution of the PILOT payment bills, the staff of the Agency will confirm with the applicable Assessor for each active Agency project the payment amounts for such PILOT bills for the current fiscal year.

(2) The staff of the Agency will also confirm with the applicable Assessor for each active Agency project the status of new projects closed in the prior calendar year and the termination of projects whose PILOT term expired or project facility was reconveyed to the applicant.

(E) Reconveyance. (1) Annually the staff of the Agency will review the Project Agreements of all active Agency projects to determine if the Project Agreement has expired and the project facility should be reconveyed to the applicant and placed on the taxable roll of the applicable municipality.

(2) Annually the staff of the Agency will confirm with the applicable Assessor for the active Agency project that the particular project facility should be reconveyed to the applicant and placed on the taxable roll of the applicable municipality.

(3) Annually the staff of the Agency will also notify the applicant and work with the applicant and the Agency to file the appropriate documents to place the project on the taxable roll of the applicable municipality.

SECTION 5 ENFORCEMENT

(A) General. Upon completion of the report prepared by the staff of the Agency described in Section 4 (C) above and review of such report by the members of the Agency, the Agency may, after consultation with the staff of the Agency and counsel, initiate enforcement action against applicants as determined by the Agency.

(B) Enforcement Action. Enforcement action by the Agency may include, but not be limited to, the following:

- (1) Requesting the information and/or compliance by a final notice letter.
- (2) Forwarding an event of default notice to the involved parties, including the lender.
- (3) Notifying appropriate New York State agencies of (a) the applicant's failure to comply with the requirements of Section 3(B) above or (b) the negative results of the project monitoring in Section 4(A) above.
- (4) Terminating the Financial Assistance provided by the Agency.
- (5) Recapturing some or all of the Financial Assistance granted to the applicant pursuant to the Uniform Agency Project Agreement, if applicable.
- (6) In the event of any failure by an applicant to make any required PILOT payment, to coordinate with the applicable affected taxing jurisdictions in the recovery of such due payment.

SCHEDULE A
ANNUAL EMPLOYMENT VERIFICATION AND COMPLIANCE REPORT
Report Year 2022

Project or Company Name: _____

1. Original estimate of jobs to be created and retained (from the project application).

Created _____ Retained _____

Note to first year reporters only: If estimates in Section F. Employment Information/Job Creation has changed from original application, please contact the IDA for further instructions.

2. Number of current full time equivalent employees (at end of Report Year) _____

Please attach a copy of a filed **NYS-45** Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return for the last payroll date in the month of December for the Report Year.

3. If original estimate of jobs to be created and retained does not equal number of full time equivalent employees as of the end of the Report Year, please explain:

4. Number of full time equivalent **construction jobs** during Report Year (if any) _____

5. Provide amount of mortgage recording tax exemption (if any) _____

6. Provide amount of sales tax exemption (if any) NYS _____ Local _____

Please attach a copy of a filed NYS Department of Taxation and Finance Form **ST-340** Annual Report of Sales and Use Tax Exemption for the Report Year.

7. Provide any amount of capital investment for this project for the Report Year (if any) _____

Please attach supporting documentation.

8. **Please attach** an updated Certificate of Insurance naming the Agency as "Additional Insured". Please refer to your project documents for further information regarding required insurance.

9. If your project includes an industrial revenue bond, please provide the following:

Bond Balance at Beginning of Report Year _____ Final Maturity Date: _____

Total Amount Paid on Bond in Report Year _____

Bond Balance at End of Report Year _____

10. Has any event of default under the project documents occurred or is continuing during the Report Year?

Y/N _____ If yes, please explain

11. Let us know of any significant changes in your company or if we may be of assistance for any future projects.

CERTIFICATION

I hereby certify that I am the owner of the project site or am the duly authorized representative and may sign this data submission on behalf of the owner(s) of said project site. I have read and understand all of the requirements contained within the project documents and I have read the foregoing Annual Employment Verification and Compliance Report.

Name (Print) _____

Title _____

Signature _____

Date _____

Phone Number _____

Email _____



**HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY
POLICY RESPECTING UNIFORM CRITERIA FOR THE
EVALUATION OF PROJECTS**

SECTION 1 PURPOSE AND JUSTIFICATION

(A) The purpose of this Policy is to provide the uniform criteria to be utilized by Herkimer County Industrial Development Agency (the “Agency”) to evaluate and select projects from each category of eligible projects for which the Agency can provide financial assistance.

(B) The Agency was created pursuant to Section 903-b of Title 2 of Article 18-A of the General Municipal Law and Title 1 of Article 18-A the General Municipal Law (collectively, the “Act”) for the purpose of promoting employment opportunities for, and the general prosperity and economic welfare of, residents of Herkimer County, New York (the “County”) and the State of New York (the “State”). Under the Act, the Agency was created in order to advance the job opportunities, health, general prosperity, and economic welfare of the residents of the County and of the State.

(C) Chapter 563 of the Laws of 2015, effective June 15, 2016 (the “Reform Legislation”), requires each industrial development agency to adopt an assessment of all material information included in connection with an application for financial assistance, as necessary to afford a reasonable basis for the decision by an industrial development agency to provide financial assistance for a project.

SECTION 2 ELIGIBLE PROJECT CATEGORIES

The Agency may provide financial assistance to any “project,” as defined in Section 854 of the Act.

SECTION 3 UNIFORM CRITERIA

(A) The following general uniform criteria will apply to all categories of eligible projects: (1) Extent to which a project will create or retain jobs; (2) Estimated value of tax exemptions; (3) Amount of private sector investment; (4) Likelihood of project being accomplished in a timely fashion; (5) Extent of new revenue provided to local taxing jurisdictions; (6) Any additional public benefits; and (7) Local labor construction jobs.

(B) The following additional criteria may apply to warehousing and research projects: (1) wage rates (above median for County); (2) in County purchases (% of purchases from local vendors); (3) supports local businesses or clusters; (4) retention or flight risk; and (5) provides capacity to meet County demand or shortage.

(C) The following additional criteria may apply to commercial projects: (1) regional wealth creation (% of sales/customers outside of the County); (2) located in a highly distressed census tract; (3) alignment with local planning and development efforts; (4) promotes walkable community areas; (5) elimination or reduction in blight; (6) proximity/support of regional tourism attractions/facilities; (7) local or County official support; (8) building or site has historic designation; and (9) provides brownfield remediation.

SECTION 4 REMOVAL OR ABANDONMENT

If the proposed project involves the removal or abandonment of a facility or plant within the state, the Agency will notify the chief executive officer or officers of the municipality or municipalities in which the facility or plant was located.

SECTION 5 EFFECTIVE DATE

This policy shall be effective with respect to any project undertaken by the Agency after the date of approval of this Policy.

2023 BOARD MEMBERS & STAFF
HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

CHAIRMAN

Date Appointed

Vincent J. Bono

7/3/2002

Current partner in Bono Brothers LLC Manufactured Housing community, Current Chairman of the Herkimer County Legislature.

VICE CHAIRMAN

Cory Albrecht

4/4/2018

Director of the Advanced Institute for Manufacturing at Mohawk Valley Community College, previous Vice President/Business Development Manager at Mohawk Valley Applied Technology Corp. (10 years).

SECRETARY

John Scarano

4/24/2013

Former Executive Director of the Herkimer County Chamber of Commerce (10 years); former VP Finance Curtains and Fabrics, manufacturer of lace curtains. (8 years)

TREASURER

Michael Werenczak

10/26/2011

Current Specialist with the Herkimer County Employment & Training Administration (13 years); former Production Foreman with Special Metals Corporation (12 years), Product Manager for AAR Corporation (5 years); Expeditor for Allied / Bendix Corporation. (5 years)

DIRECTOR

Ann Gaworecki

8/07/2019

Commercial Lending Officer at Adirondack Bank (15 years).

DIRECTOR

Tim Day

5/18/2022

Tim has owned and operated Day and Read, Inc. (an "all lines" insurance agency with five locations) for 38 years. He is currently involved in the insurance agency's operations as a marketing and sales executive. He was appointed as a member of the insurance agents' advisory councils for several regional and national insurance carriers and has also served the community as a board member for many not-for-profit and youth organizations.

DIRECTOR

Alana Basloe

7/07/2022

Alana is a fourth-generation manager at Original Herkimer Cheese, a former Marketing Manager at L'Oreal and Experian Marketing Services, and a current member of the NYS Cheese Manufacturers Association.

Herkimer County Industrial Development Agency Board Members are appointed by the Herkimer County Board of Legislators and serve at the pleasure of the board.

ASSISTANT SECRETARY/TREASURER

Stacey J. Holleran

IDA ATTORNEY

Anthony Hallak, Esq.

HUMAN RESOURCES REPRESENTATIVE

Stacey J. Holleran

COMMITTEES

Revolving Loan Committee (12/20/2022):

**Ann Gaworecki, John Scarano, Cory Albrecht
Board as a Whole**

Audit and Governance Committees (12/20/2022):

John Scarano, Michael Werenczak, Tim Day

Marketing Committee (12/20/2022):

Board as a Whole

Finance Committee (12/20/2022):

John Scarano, Ann Gaworecki, Vincent J. Bono

Claims Auditors

Board Meetings held the last Tuesday of every month at 8:00 AM (subject to change)

**At the Herkimer County Chamber of Commerce, Conference Room
420 E. German St., Herkimer, NY**

December 20, 2022

STAFF

John J. Piseck, Jr., Chief Executive Officer

John Piseck joined the IDA in February 2018. His experience includes: Sales Engineer for CTM Corporation (15 years); Herkimer County Legislator (4 years); past Chairman of the Board of Directors for the HCIDA; former member of Mohawk Valley Economic Development District; served on Board of Directors for the Creative Core.

Stacey Holleran, Chief Financial Officer

Stacey Holleran is a graduate of Mohawk Central High School and Central City Business Institute. Stacey joined the IDA in 2015 after 23 years of economic development experience at the Mohawk Valley Economic Development District and 13 years of purchasing experience at General Electric. Stacey performs all financial operations, human resource functions, and administrative tasks for the Agency under the direction of the Chief Executive Officer.

Victoria Adams, Administration & Grant Coordinator

Victoria Adams joined the IDA in March 2019. She comes from a financial background in accounting and banking. She assists Stacey and John in performing administrative duties for the IDA as well as coordinating grants awarded to, or passing through, the IDA.

Erin Spina, Marketing & Communications Specialist

Erin Spina joined the IDA in August 2022. She graduated from Nazareth College in 2022 with a bachelor's in Business Management with a focus in Marketing.