

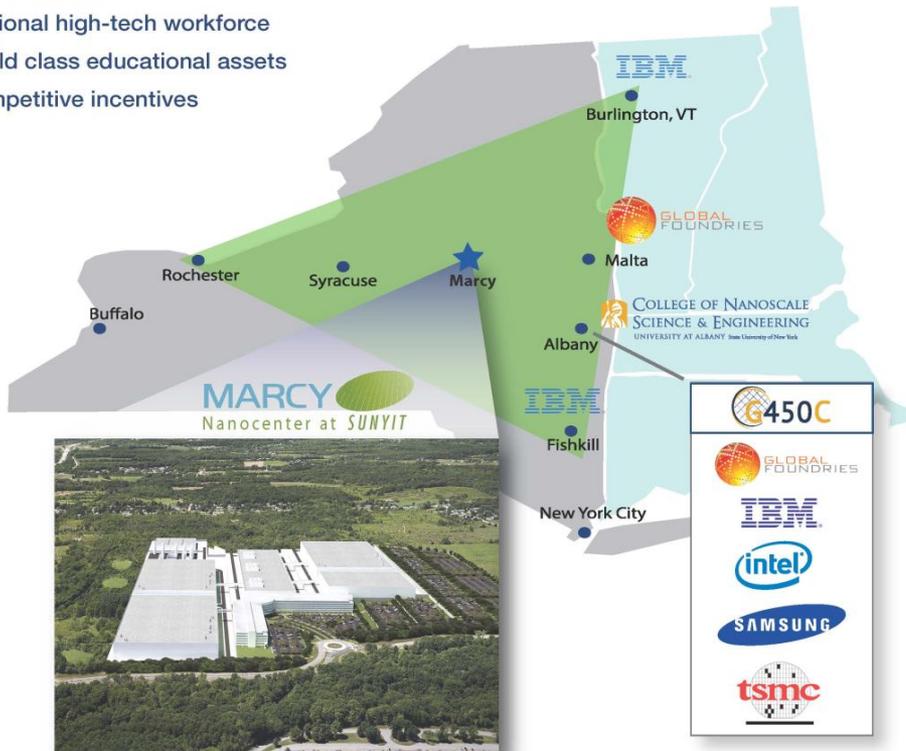
# **New York State Investment Strategy**

## **Marcy Nanocenter at SUNYIT**

**Mohawk Valley  
REDC**

September 2013

- Tradition of advanced manufacturing
- Proven record of attracting skilled scientists and engineers
- Regional high-tech workforce
- World class educational assets
- Competitive incentives



- Nanotechnology is a top investment priority for NY with CNSE acting as the linchpin and primary driver for an upstate nanotechnology education, innovation and commercialization hub.
- CNSE is fulfilling Governor Cuomo's "New New York" strategic investment policy, with the SUNYIT Campus being a critical part of this economic development strategy.

- CNSE business model is unique in its ability to:
  - Forge collaborative public private partnerships that pools intellectual assets and physical resources that helps establish a level playing field for CNSE partners;
  - Provides a neutral setting or “Switzerland type environment that helps protect privacy and confidentiality among industry partners; and
  - Includes NYS as a major investment partner in state-of-the-art assets that are publicly owned to reduce investment costs for industry partners.
- This investment has created a commercial hub of global R&D and manufacturing corporate anchor tenants that is establishing a financially stable and fiscal sustainable high technology industrial base.



CNSE is a global leader in semiconductor and nanotechnology R&D and commercialization activities with:

- Nearly 300 industry partnerships,
- Recent global partnerships announced with Israel & Saxony, Germany,
- \$18 B in public-private investment,
- \$300 M in annual university sponsored R&D, projected to increase to \$500 M annually by 2015,
- 1.125 M SF complex that includes fully integrated 300 MM & 450 MM wafer computer chip pilot prototyping and demonstration line with 135,000 SF of cleanroom space:
  - Planned expansion to 1.75 M SF with over 200,000 SF of clean room space.
- 3,100 employees, faculty and staff; expected to increase to 4,500.

Expanding presence with facilities at SUNYIT (Quad C & Marcy Nano), Canandaigua (Smart System Technology & Commercialization Center, Buffalo Innovation Center, and Rochester (Solar Manufacturing & Technology Development Center).



In May 2012, the President credited CNSE with the exponential boom in high tech jobs and stated: ***“Now I want what is happening in Albany to happen all across the country, in places like Cleveland, Pittsburgh, Raleigh....”***

# CNSE-End User

- CNSE investment at Marcy Nanocenter builds on ongoing collaborative efforts between CNSE-SUNYIT and Mohawk Valley EDGE including:
  - \$350 M partnership on Quad C.
  - Academic and institutional alignment underway between CNSE – SUNYIT to expand SUNYIT’s academic, technology & R&D capability.
- Quad C and CNSE-SUNYIT collaboration provides the foundation to support CNSE’s successful business model with development of Marcy Nanocenter site for semiconductor manufacturing.

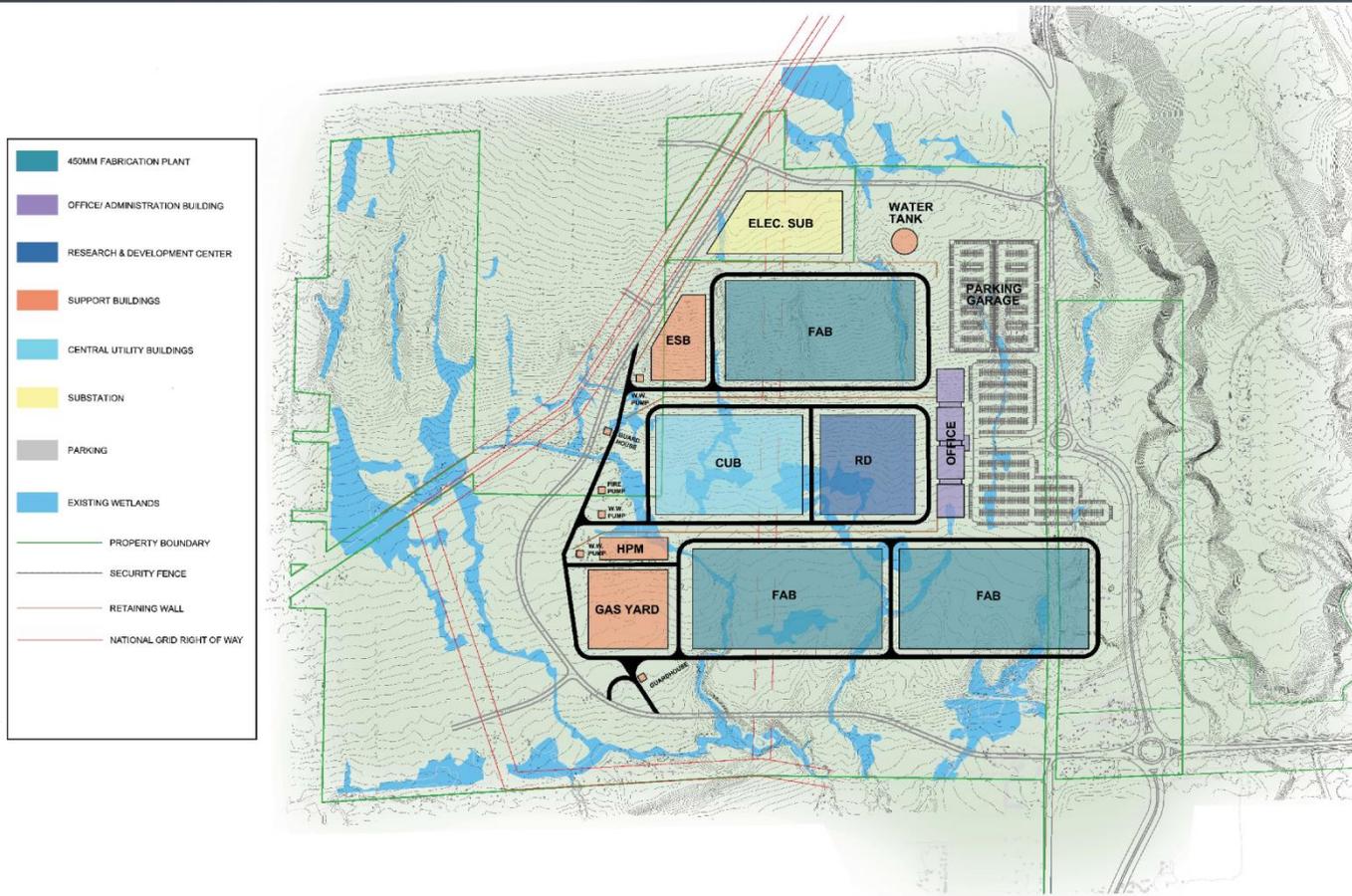


- CNSE-SUNYIT-EDGE-QUAD-C partnership focused on SOC and 3D packaging
- State of the art R&D and prototype facility
- 55,000 SF Class 1000 clean room
- 210,000 SF laboratories, offices, meeting and classroom space
- Site modeled for 3x expansion
- Adjacent to Marcy Nanocenter at SUNYIT
- 90 miles to CNSE
- Within minutes of Interstate 90 and NYS highways

## World Class Site for Advanced Manufacturing



- 420 acre greenfield site
- 28 mgd excess water capacity
- Redundant feed 115kV, 99.9999% reliability
- EMF and vibration free
- Six months from decision to groundbreaking
- Close proximity to Albany and Syracuse International Airports
- Within minutes of state and interstate highways
- \$39 million infrastructure investment to-date



MARCY NANOCENTER RING ROAD DEVELOPMENT

MOHAWK VALLEY **EDGE**

COLLEGE OF NANOCIENCE & ENGINEERING

UNIVERSITY AT ALBANY

PROJECT: MARCY NANOCENTER RING ROAD DEVELOPMENT

DATE: 03/2014

SCALE: AS SHOWN

DESIGNED BY: [Name]

DRAWN BY: [Name]

CHECKED BY: [Name]

APPROVED BY: [Name]

## CNSE-EDGE-SUNYIT Collaboration



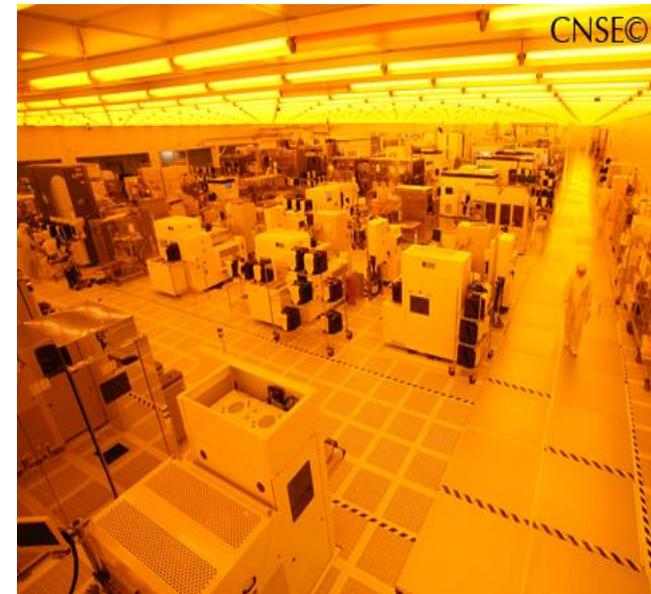
- Marcy site is CNSE's designated site to develop production facilities to support its industry partnerships with leading semiconductor and related industry partners.
- This designation is based on:
  - Current construction of Quad C for SOC technologies with industry partners,
  - Alignment between CNSE and SUNYIT to forge stronger academic, technology and R&D capacity at SUNYIT,
  - Governor's commitment to make CNSE the linchpin and primary driver for an upstate nanotechnology education, innovation and commercialization hub.

- **Rationale for PILOT Allocation proposal:**

- Pre-approved agreement streamlines site selection decision making process, which is critical for large CapEx projects with sensitive “time to market” schedules;
- Predetermines the method for calculating real property tax assessment on unique and specialized facilities;
- Recognizes the intensely competitive and incentive driven; requirements of the Industry and how the region needs to differentiate itself from competition.

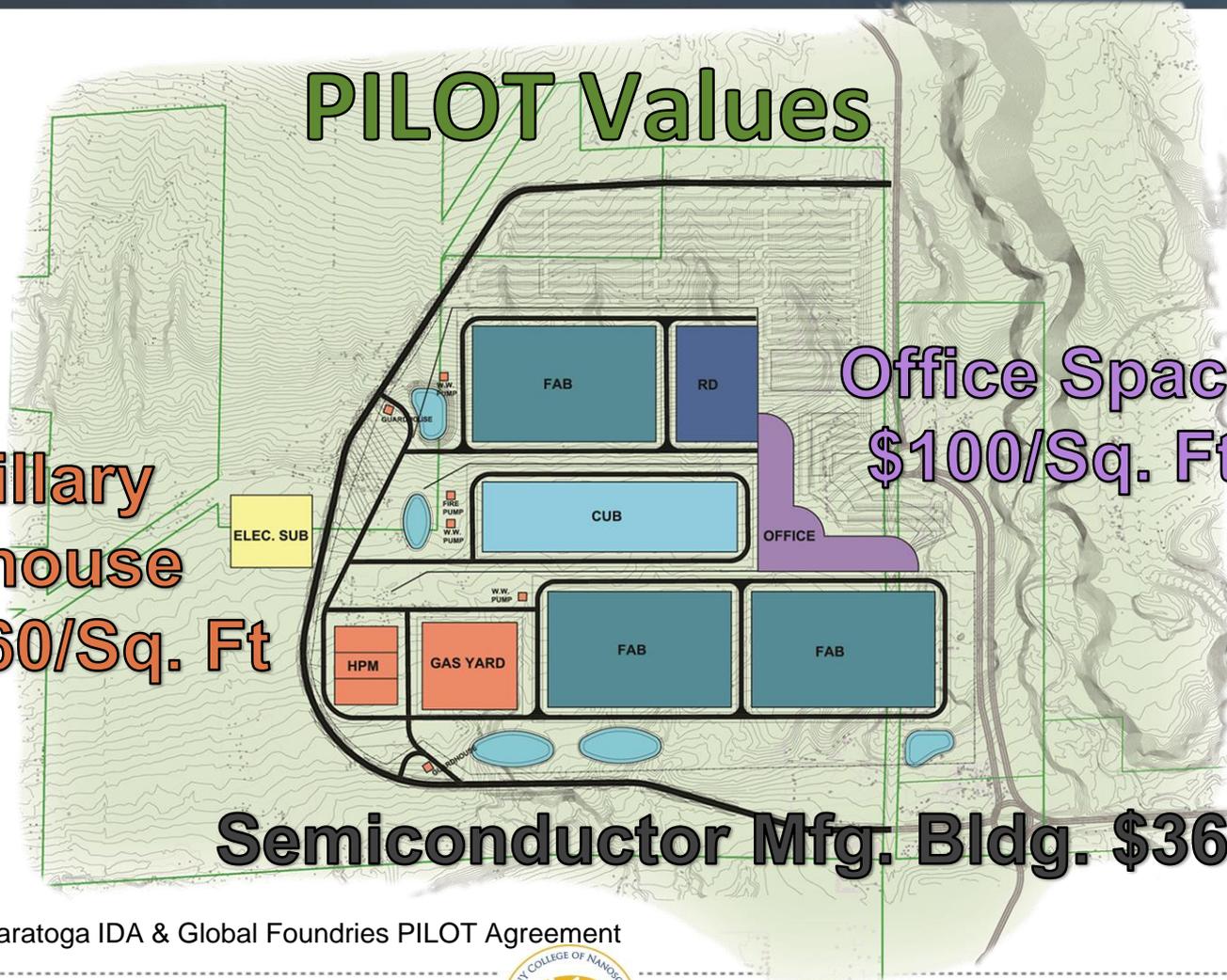
- **Benefits from pre-approved agreement:**

- Provides certainty to end user(s) and taxing jurisdictions.
- Leverages a currently tax-exempt site for transformational economic development.
- Is a creative financing vehicle that also addresses overarching regional needs to enable STEM Education, and upgrading an aging sewer system within the sewer district.



# PILOT Values

Ancillary  
Warehouse  
Bldg. \$60/Sq. Ft



Office Space  
\$100/Sq. Ft

Semiconductor Mfg. Bldg. \$365/Sq. Ft

Rates modeled after Saratoga IDA & Global Foundries PILOT Agreement

# PILOT Value/ SF Rates

Year	Semiconductor Mfg. Bldg.	Office Space	Ancillary Warehousing Bldg.	Technology Mfg. Bldg.	Clean Room Space (within Technology Development Center)
1	\$365	\$100	\$60	\$125	\$450
2	\$348	\$ 98	\$58	\$123	\$430
3	\$332	\$ 96	\$56	\$121	\$410
4	\$316	\$ 94	\$54	\$119	\$390
5	\$300	\$ 92	\$52	\$117	\$370
6	\$284	\$ 90	\$50	\$115	\$350
7	\$267	\$ 88	\$48	\$113	\$330
8	\$251	\$ 86	\$46	\$111	\$310
9	\$235	\$ 84	\$44	\$109	\$290
10	\$219	\$ 82	\$42	\$107	\$270
11	\$203	\$ 80	\$40	\$105	\$250
12	\$186	\$ 78	\$38	\$103	\$230
13	\$170	\$ 76	\$36	\$101	\$210
14	\$154	\$ 74	\$34	\$ 99	\$190
15-49	\$146	\$72	\$32	\$ 97	\$170

# Essential Terms in PILOT Agreements



1. Established in Exhibit B of Agreement Approving PILOT Terms and Allocating PILOT Payments.
2. Applicable tax levy for County, Town, School District, Maynard FD, and Dunham Public Library, inclusive of special district taxes/assessments

# PILOT Allocation Taxing Jurisdictions

PILOT Term	Pct. Of PILOT to Taxing Jurisdictions	Community Host Payment <sup>2</sup>
1-15	10% <sup>1</sup>	2%
16-29	25%	2%
30-34	30%	2%
35-39	40%	2%
40-49	45%	2%

Yrs. 1-15 pct. of PILOT to taxing jurisdictions increases by 1%/year (24% in year 15)

Community host payment is to Town of Marcy and would be based on 2% of gross PILOT obligation

