

**RESOLUTION AUTHORIZING PILOT DEVIATION LETTER  
AND PUBLIC HEARING TO AMEND PILOT  
GE HEALTHCARE, A DIVISION OF GENERAL ELECTRIC COMPANY PROJECT**

A regular meeting of Rensselaer County Industrial Development Agency (the "Agency") was convened in public session in the 3rd Floor Conference Room at the Quackenbush Building located at 333 Broadway in the City of Troy, Rensselaer County, New York on February 9, 2017 at 4:00 o'clock p.m., local time.

The meeting was called to order by the (Vice) Chairman of the Agency and, upon roll being called, the following members of the Agency were:

**PRESENT:**

John H. Clinton, Jr.	Chairman
Cynthia A. Henninger	Secretary/Treasurer
Ronald Bounds	Assistant Secretary/Treasurer
Douglas Baldrey	Member

**ABSENT:**

Sandra Brown	Vice Chairman
James Church	Member
Michael Della Rocco	Member

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Robert L. Pasinella, Jr.	Executive Director
Robin LaBrake	Assistant
Peter R. Kehoe, Esq.	Agency Counsel
George W. Cregg, Jr., Esq.	Special Counsel

The following resolution was offered by Douglas Baldrey, seconded by Ronald Bounds, to wit:

Resolution No. 0217-06

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO (A) SEND A LETTER TO THE CHIEF EXECUTIVE OFFICERS OF THE AFFECTED TAXING ENTITIES INFORMING THEM OF A PROPOSED DEVIATION FROM THE AGENCY'S UNIFORM TAX EXEMPTION POLICY AND (B) CONDUCT A PUBLIC HEARING IN CONNECTION WITH THE PROPOSED GE HEALTHCARE, A DIVISION OF GENERAL ELECTRIC COMPANY PROJECT**

WHEREAS, Rensselaer County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of 1969 Laws of New York, constituting Title 1 of Article 18- A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 128 the 1974 Laws of New York, as amended, constituting Section 903-d of said General Municipal Law (said Chapter and the Enabling Act being hereinafter

collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more "projects" (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, on February 25, 2009 (the "Closing"), the Agency entered into a lease agreement dated as of February 1, 2009 (the "Lease Agreement") by and between the Agency and GE Healthcare, a division of General Electric Company (the "Company") for the purpose of undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in an approximately 33 acre parcel of land currently known as Lot 3-Phase III Expansion located in the RPI Technology Park in the Town of North Greenbush, Rensselaer County, New York (the "Land"), (2) the construction on the Land of an approximately 140,900 square foot building (the "Facility") and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment"), all of the foregoing to constitute a medical hardware manufacturing facility (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease of the Project Facility to the Company pursuant to a lease agreement dated as of February 1, 2009 (the "Lease Agreement") by and between the Agency and the Company; and

WHEREAS, simultaneously with the execution and delivery of the Lease Agreement, (A) the Company executed and delivered to the Agency (1) a certain lease to agency dated as of February 1, 2009 (the "Underlying Lease") by and between the Company, as landlord and the Agency, as tenant pursuant to which the Company leased to the Agency the Land and all improvements now or hereafter located on the land (collectively, the "Premises") for a lease term ending on December 31, 2019, and (2) a bill of sale dated as of February 1, 2009 (the "Bill of Sale to Agency"), which conveyed to the Agency all right, title and interest of the Company in the Equipment, (B) the Company and the Agency executed and delivered a payment in lieu of tax agreement dated as of February 1, 2009 (the "Original Payment in Lieu of Tax Agreement") by and between the Agency and the Company, pursuant to which the Company agreed to pay certain payments in lieu of taxes with respect to the Project Facility, (C) the Agency filed with the assessor and mailed to the chief executive officer of each "affected tax jurisdiction" (within the meaning of such quoted term in Section 854(16) of the Act) a copy of a New York State Board of Real Property Services Form 412 a (the form required to be filed by the Agency in order for the Agency to obtain a real property tax exemption with respect to the Project Facility under Section 412 a of the Real Property Tax Law) (the "Real Property Tax Exemption Form") relating to the Project Facility and the Original Payment in Lieu of Tax Agreement and (D) the Agency executed and delivered to the Company a sales tax exemption letter (the "Sales Tax Exemption Letter") to ensure the granting of the sales tax exemption which forms a part of the Financial Assistance and (E) the Agency filed with the New York State Department of Taxation and Finance the form entitled "IDA Appointment of Project Operator or Agent for Sales Tax Purposes" (the form required to be filed pursuant to Section 874(9) of the Act) (the "Thirty-Day Sales Tax Report") (the above-enumerated documents being collectively referred to as the "Basic Documents"); and

WHEREAS, the Original Payment in Lieu of Tax Agreement was amended by a first amendment to payment in lieu of tax agreement dated as of August 1, 2013 (the "First Amendment to Payment in Lieu of Tax Agreement" and collectively with the Original Payment in Lieu of Tax Agreement, the "Payment in Lieu of Tax Agreement"); and

WHEREAS, the Company has made a request to the Agency (the "Pilot Request"), which Pilot Request is attached hereto as Exhibit A, that the Agency amend the Payment in Lieu of Tax Agreement pursuant to a second amendment to payment in lieu of tax agreement (the "Second Amendment to Payment in Lieu of Tax Agreement") by and between the Agency and the Company; and

WHEREAS, the Second Amendment to Payment in Lieu of Tax Agreement will be a deviation from the Agency's uniform tax exemption policy, said deviation as outlined in Exhibit A attached hereto and as outlined by the Executive Director of the Agency at this meeting; and

WHEREAS, pursuant to Section 874(4) of the Act, prior to taking final action on such request for a deviation from the Agency's uniform tax exemption policy, the Agency must give the chief executive officers of the County and each city, town, village and school district in which the Project Facility is located (collectively, the "Affected Tax Jurisdictions") prior written notice of the proposed deviation from the Agency's uniform tax exemption policy and the reasons therefor; and

WHEREAS, pursuant to Section 856(15) of the Act, unless otherwise agreed by the affected tax jurisdictions, payments in lieu of taxes must be allocated among the affected tax jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each affected tax jurisdiction had the Project Facility not been tax exempt due to the status of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43 B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations" and collectively with the SEQR Act, "SEQRA"), the Agency must satisfy the requirements contained in SEQRA prior to making a final determination whether to enter into the Second Amendment to Payment in Lieu of Tax Agreement (the "Amendment"); and

WHEREAS, pursuant to SEQRA, the Agency has examined the Amendment in order to make a determination as to whether the Amendment is subject to SEQRA, and it appears that the Amendment constitutes a Type II action under SEQRA; and

WHEREAS, pursuant to Section 859-a of the Act, prior to the Agency providing any financial assistance of more than \$100,000 to any project, the Agency, among other things, must hold a public hearing with respect said project;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Based upon an examination of the Amendment, the Agency hereby determines that the Amendment constitutes a "Type II action" pursuant to 6 NYCRR 617.5(26), and therefor that, pursuant to 6 NYCRR 617.6(1)(i), the Agency has no further responsibilities under SEQRA with respect to the Amendment.

**Section 2.** The Agency hereby authorizes the Executive Director of the Agency, after consultation with the members of the Agency and Agency Counsel, (A) to establish the time, date and place for a public hearing of the Agency to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Amendment, said public hearing to be held in the city, town or village where the Project Facility is or is to be located; (B) to cause notice of such public hearing to be given to the public by publishing a notice of such hearing in a newspaper of general circulation to available to the residents of the governmental units where the Project Facility is or is to be located, such notice to comply with the requirements of Section 859-a of the Act; (C) to cause notice of said public hearing to be given to the chief executive officer of the county and each city, town, village and school district in which the Project Facility is or is to be located to comply with the requirements of Section 859-a of the Act; (D) to conduct such public hearing; and (E) to cause a report of said public hearing fairly summarizing the views presented at said public hearing to be promptly prepared and cause copies of said report to be made available to the members of the Agency.

**Section 3.** Having considered the Company's Pilot Request, the Executive Director is hereby authorized to send a written notice to the chief executive officers of each of the Affected Tax Jurisdictions (A) informing them that the Agency is considering a proposed deviation, as outlined in Exhibit A and as outlined by the Executive Director of the Agency at this meeting, from its uniform tax exemption policy with respect to the Project and the reasons therefor and (B) soliciting any comments that such Affected Tax Jurisdictions may have with respect to said proposed deviation.

**Section 4.** The Chairman, Vice Chairman and/or Executive Director of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

**Section 5.** This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

John H. Clinton, Jr.	VOTING	YES
Sandra Brown	VOTING	ABSENT
Cynthia A. Henninger	VOTING	YES
Ronald Bounds	VOTING	YES
Douglas Baldrey	VOTING	YES
James Church	VOTING	ABSENT
Michael Della Rocco	VOTING	ABSENT

The foregoing Resolution was thereupon declared duly adopted.


STATE OF NEW YORK )  
 ) SS.:  
COUNTY OF RENSSELAER )

I, the undersigned (~~Assistant~~) Secretary of Rensselaer County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on February 9, 2017 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 9<sup>th</sup> day of February, 2017.

  
\_\_\_\_\_  
~~(Assistant)~~ Secretary

(SEAL)

EXHIBIT A  
REQUEST AND  
PROPOSED FORM OF DEVIATION

**- SEE ATTACHED -**



GE Healthcare

Manufacturing  
General Manager  
Imaging Detection Technology Center of Excellence  
Imaging Sub-Systems

100 Stone Court Rd  
Troy, NY 12180

Tel: 518 874 3000  
Fax: 518 429 1225  
www.ge.com

Robert L. Pasinella  
Director  
Rensselaer County Industrial Development Agency  
1500 7<sup>th</sup> Avenue, Troy NY 12180

February 2, 2017

Dear Mr. Pasinella:

As a result of the partnership with Rensselaer County and NY State, GE Healthcare has been able to successfully transition the production of medical components from GE's Research Lab to full scale production in North Greenbush. The medical components that are produced enable imaging systems to diagnose and help treat millions of patients per year. The facility employs over 150 people on 3 shifts to manufacture digital flat panel X-ray detectors that form the heart of imaging systems as well as other high-tech critical sub-components.

The 230000 square-foot plant opened in year 2009. The first products launched from the site were detectors for use in mammography, and most recently the site started manufacturing new mammography detectors that are used in GE Healthcare's latest Senographe Pristina system that is designed to help ease patients' anxieties and reduce the discomfort of a mammogram. Further in recent years the plant has expanded its scope to also produce detectors for minimally invasive interventional procedures, general radiology, as well as industrial inspection applications.

In addition, the plant has added a line to produce flexible electronic sub-components, and added operations to package micro electro mechanical switches (MEMS) for coils used in Magnetic Resonance Imaging (MRI). The business case that resulted in securing investment for these projects was strengthened by the approval in the year 2013 of a first amendment to payment in lieu of tax agreement.

The leadership team at the plant in North Greenbush is currently seeking approval for additional investment that would fund further outsourcing, which will lead to an increase in volume, a more competitive cost structure, and an increase in employment by ~30%. We are requesting that a second amendment to payment in lieu of tax agreement can be approved in 2017.

Kind regards,

Marc Schaepekens  
General Manager, Imaging Detection Technology CoE  
GE Healthcare

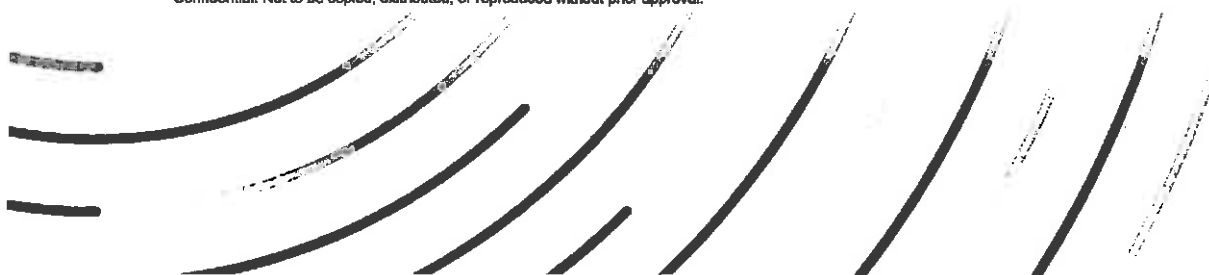


# GE Healthcare @ North Greenbush (NGB)

Proposal to extend tax abatement to ensure  
competitiveness, volume growth & 40+ additional jobs

February 2, 2017

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# North Greenbush ... world-class infrastructure & capabilities for advanced manufacturing

## GE Healthcare North Greenbush (NGB) plant Flat panel / semiconductor processing of medical sub-systems



### Location

- 20 miles from GE Global Research
- Proximity & relations with RPI & HVCC
- High tech region - Global Foundries & CNSE

### Facility facts

- Floor space 230,000 sq ft
- LEED Gold certified
- 37% recycled content
- Energy efficient operations
- Water recycling & minimized emissions

### Workforce

- Skilled advanced manufacturing techs (BS/AS degree)
- Ops & Eng staff with adv. degrees (PhD/MS/BS)
- Lean & Six Sigma >90% certified
- ISO 13485 & OSHA VPP compliant
- Innovative (~80% former GE Research) employees

### Capabilities

- Nano-tech in Class 100 cleanroom (40000 sq ft)
- Micro-tech in Class 10000 cleanroom (20000 sq ft)
- Flat panel processing - Gen2/3 size
- Flexible printed circuit - sheet to sheet
- Surface mount - MEDS packaging



**Advanced manufacturing for the 21st century**

*Partnership with Rensselaer County and NY State enabled successful transition from GE's Research Lab to full scale production in North Greenbush*



Presentation Title

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## Volume growth leads to additional jobs

### Growth to date ...

Year	Output	Capacity	Jobs
• 2010	~330	10%	80 perm + 31 contract
• 2011	~775	24%	↓
• 2012	~950	31%	
• 2013	~1050	34%	
• 2014	~1150	37%	
• 2015	~1050	34%	
• 2016	~1300	40%	127 perm + 37 contract

*Track record of growing volume & jobs ...  
but still is not running at full capacity in 2016!*

### Opportunity for additional growth ...

Investment in insourcing projects would enable:

- increase in volume
- more competitive cost structure
- increased employment by + 20 jobs in 2017/18... and more in 2019+ <sup>~30%</sup>

*Higher utilization => more competitive cost  
=> continued growth*



# Tax abatement ... proposal to extend schedule to drive competitiveness, volume growth & additional jobs

Original Abatement		2008	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Abatement	School	0%	0%	10%	10%	10%	10%	10%	10%	10%	40%	40%						
	Muni	0%	0%	0%	0%	0%	0%	0%	0%	0%	40%	40%						
Amended Abatement		2008	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Abatement	School	0%	0%	10%	10%	10%	10%	10%	10%	10%	60%	60%	40%	40%				
	Muni	0%	0%	0%	0%	0%	0%	0%	0%	0%	60%	60%	40%	40%				
Proposed Abatement		2008	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Abatement	School	0%	0%	10%	10%	10%	10%	10%	10%	10%	80%	80%	50%	40%	30%	20%	10%	
	Muni	0%	0%	0%	0%	0%	0%	0%	0%	0%	80%	80%	50%	40%	30%	20%	10%	



*Extending tax abatement => frees up GE Healthcare budget to invest in insourcing projects  
=> better cost structure, more jobs & more competitive long-term position*



Assessment: 60,000,000

Equalization: 26%

**TOWN and COUNTY  
TAX BILL**

	Current Fees		Current Fees			Total/\$1000
	1st Abate:		2nd Abate:			
2017	40%	\$ 228,844.41	40%	\$ 228,844.41		36.673783
2018	40%	\$ 233,421.29	40%	\$ 233,421.29		37.40725866
2019	60%	\$ 357,134.58	40%	\$ 238,089.72		38.15540383
2020	60%	\$ 364,277.27	50%	\$ 303,564.39		38.91851191
2021	100%	\$ 619,271.36	60%	\$ 371,562.82		39.69688215
2022	100%	\$ 631,656.79	70%	\$ 442,159.75		40.49081979
2023	100%	\$ 644,289.92	80%	\$ 515,431.94		41.30063619
2024	100%	\$ 657,175.72	90%	\$ 591,458.15		42.12664891
2025	100%	\$ 670,319.24	100%	\$ 670,319.24		42.96918189

Assessment: 60,000,000

Equalization: 26%

**SCHOOL TAX BILL**

	1st Abate:		2nd Abate:			Total/\$1000
2017	40%	\$ 565,119.09	40%	\$ 565,119.09		90.563957
2018	40%	\$ 576,421.47	40%	\$ 576,421.47		92.375236
2019	60%	\$ 881,924.85	40%	\$ 587,949.90		94.222741
2020	60%	\$ 899,563.35	50%	\$ 749,636.13		96.107196
2021	100%	\$ 1,529,257.70	60%	\$ 917,554.62		98.029340
2022	100%	\$ 1,559,842.85	70%	\$ 1,091,890.00		99.989926
2023	100%	\$ 1,591,039.71	80%	\$ 1,272,831.77		101.989725
2024	100%	\$ 1,622,860.50	90%	\$ 1,460,574.45		104.029519
2025	100%	\$ 1,655,317.71	100%	\$ 1,655,317.71		106.110110

**GE HEALTHCARE PILOT**