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Public hearing held pursuant to general municipal law section 859-a to seek public comment on an application for financial assistance submitted by Crown Cork & Seal USA, INC.

HELD ON: October 21st, 2015
HELD AT: NICHOLS ELEMENTARY SCHOOL
139 Roki Boulevard
Nichols, New York 13813

BEFORE: RALPH E. KELSEY, Chairman
KEVIN DOUGHERTY, Vice Chairman
AARON GOWAN, Treasurer
KEVIN GILLETTE, Member
JAN A. NOLIS, Member

APPEARANCES:
RUTH FIATO, Executive Administrator Tioga County
IDA
LEEANN TINNEY, Director of Tioga County Economic
Development & Planning

REPORTED BY: Caitlyn A. Shaylor
COURT REPORTER

1 MR. KELSEY: Again -- I should've
2 recorded the last one and just changed a
3 couple names. But again my name is Ralph
4 Kelsey and I'm chair of the Tioga County
5 Industrial Development Agency. And the
6 agency is conducting this hearing pursuant
7 to general municipal law 859-a to seek
8 opinion on an application for financial
9 assistance submitted by Crown Cork & Seal
10 USA Inc, a subsidiary of Crown Holdings
11 Inc.

12 The acceptance of the filing by the
13 agency does not infer any position on the
14 approval or the disapproval of the
15 financial assistance requested. No
16 position will be taken by the agency until
17 all public hearings and comments are
18 concluded.

19 A copy of the cost benefit analysis
20 was provided by the Development of Economic
21 Development and Planning and it's available
22 for the -- in the front of the room here
23 with LeeAnn Tinney for your review.

24 Notice of this hearing was published

1 on October 10th, 2015 in the Press & Sun
2 Bulletin.

3 Each person wishing to speak shall
4 state his or her name and if you are
5 speaking on behalf of any organization or
6 entity please identify that organization or
7 entity. Each speaker shall be given five
8 minutes. This hearing shall remain open
9 until 6:45 or longer if public comment
10 warrants.

11 I want to remind you all that the
12 purpose of this hearing is to afford you an
13 opportunity to make statements and comments
14 on the application and project plan of the
15 IDA. The comments will be considered by
16 the IDA in making a decision. I just would
17 like to emphasize this is not a question
18 and answer session. Please remember to
19 identify yourself and the organization that
20 you are speaking on behalf of prior to your
21 comments.

22 First, I would like to have LeeAnn
23 Tinney director of the Economic Planning
24 and Development explain the tax benefits

1 requested by Crown Cork & Seal USA Inc,
2 again a subsidiary of Crown Holdings Inc.

3 MS. TINNEY: LeeAnn Tinney, director
4 of Economic Development and Planning for
5 Tioga County. This project is associated
6 with the Crown Cork & Seal USA request for
7 assistance. Crown Cork & Seal USA
8 manufactures packaging products for
9 consumer goods. The primary products
10 include steel and aluminum cans for
11 beverage, household and other consumer
12 products and metal vacuum closures and
13 caps.

14 The projected investment for the
15 construction and equipment is anticipated
16 to be \$132,800,000. Construction is
17 planned to begin in November of this year
18 and to be completed by January of 2017.
19 The request for assistance for the -- is
20 for the purchase of real property,
21 construction and equipping of the facility.

22 The Crown Cork & Seal USA subject
23 property location is Berry Road, Town of
24 Nichols. This is an IDA owned 40 plus acre

1 site. The project calls for the
2 development of a 525,000 square foot
3 facility to house a manufacturing area of
4 375,000 square feet and warehousing, office
5 space for 150,000 square feet. It is
6 important to note that this property is
7 presently owned by the IDA. There are no
8 real property taxes collected on the site
9 now nor for the previous 15 years.

10 The project will create an
11 anticipated new workforce in Tioga County
12 of 164 employees in the first two years of
13 operation with an associated annual payroll
14 of over \$7.6 million. The impact of the
15 annual payroll over the term of the PILOT
16 equals \$488 million in earnings. An
17 additional 111 jobs are accepted as an
18 indirect result of the project, and there
19 will be 550 construction jobs and 319
20 indirect jobs associated -- associated with
21 the building of the facility.

22 The Department of Economic
23 Development and Planning staff took a very
24 close look at the nature of this project

1 and the opportunity that has been presented
2 to the Town of Nichols and Tioga County.
3 Several important factors to consider
4 include the company is a long-standing
5 Fortune 500 company. The company plans to
6 offer above-average manufacturing pay rates
7 for this area. The company offers an
8 excellent benefit package to their
9 employees. The project will bring a \$133
10 million investment to Tioga County. The
11 project will add to the real property tax
12 base. The project will bring direct and
13 indirect jobs to the Southern Tier. The
14 company has a strong record of community
15 support in other areas where they are
16 located. The Tioga Legislature and the
17 Owego Apalachin School Board have indicated
18 their support of the project and this
19 request. Therefore, based on these facts
20 it is the Department of Economic
21 Development and Planning's recommendation
22 to the IDA board to allow the sales tax and
23 real property tax abatement with the Crown
24 Cork & Seal USA project.

1 MR. KELSEY: Thank you, LeeAnn. And
2 again if we could have the folks come
3 forward or turn to the crowd again. Gwen,
4 if you'd like to --

5 MS. KANIA: Sure.

6 MR. KELSEY: -- comment.

7 MS. KANIA: I'm Gwen Kania, president
8 of the Tioga County Chamber of Commerce.
9 I've been the president of the chamber for
10 over two years now and one of the things
11 that I've noticed when people like to bend
12 my ear is about what's wrong with the
13 county and their ways to try and help solve
14 the problem. And one of the most common
15 complaints that I hear from people is about
16 the lack of jobs that pay decent wages, the
17 lack of manufacturing in the area.

18 The Southern Tier used to be a Mecca
19 for the manufacturing industry but that's
20 faded over the decades and it's hardly the
21 valley of opportunity any longer. You see
22 more negative headlines in the paper than
23 positive. Economic Development and
24 Planning works hard to bring viable

1 projects to the county, but they face many
2 road blocks along the way. One of the
3 biggest road blocks is usually the fact
4 that Pennsylvania is right just a couple
5 miles away. We don't want this project to
6 go elsewhere, this project deserves the
7 consideration and the concessions to make
8 it happen.

9 Why do I think this should happen?
10 But my question to you is have you Googled
11 this company? The company is over 100
12 years old. It's the number one producer of
13 food cans and metal vacuum closures in the
14 world. Number one or two producer of
15 aerosol cans in the markets that they
16 compete in. Number 3 producer of beverage
17 cans. They employ over 23,000 people
18 worldwide, have 149 facilities in 40
19 countries and in 2014 they had a net sales
20 of \$2.9 billion, and that's a B not an M.
21 A company with a global presence of Crown
22 Cork & Seal wants to build in Tioga County,
23 well I say, why, let's go with for it. Why
24 not.

1 You know, we have plenty to offer.
2 The incentive offers a lot, but any
3 location competitor also knows how to do
4 and plan and the global companies usually
5 don't make poor decisions when presented
6 with numbers and facts and figures so we
7 have to make it attractive.

8 I've looked over the cost benefit
9 analysis that LeeAnn has presented of the
10 financial application -- or assistance
11 application as I'm sure you have, but where
12 else can you get 164 full-time higher
13 paying jobs that would add merely \$8
14 million wages -- in wages to this area
15 especially in a short-time span by 2018.
16 The construction phase would bring 550 jobs
17 and these are only the direct jobs. It's
18 nothing to say about the indirect jobs or
19 incomes that would result from Cork -- or
20 Crown Cork & Seal starting in Tioga County.
21 This area has been crying for manufacturing
22 for years. This business even with the
23 sales tax savings and PILOT that they would
24 receive over 30 years would be adding to

1 our economy and tax base with the jobs and
2 hopes people will buy homes and settle in
3 and raise families and live a quality life
4 in this region, which is what we need. So
5 we can't let this one get away.

6 MR. KELSEY: Thank you. Sarah
7 Campbell, Hinman, Howard & Kattell.

8 MS. CAMPBELL: Hi. My name is Sarah
9 Campbell, I'm an attorney with Hinman,
10 Howard & Kattell. We're acting as local
11 counsel for the applicant, I also have with
12 me, I'll just do the Vanna White pointing
13 here to Tom Johnson, he is the
14 representative from Crown Cork & Seal.
15 We're just here to answer any questions
16 that you might have. I'll provide you any
17 additional -- additional information that
18 you might need. Thank you for the meeting
19 tonight.

20 MR. KELSEY: So you will be around
21 after -- after --

22 MR. CAMPBELL: We're sticking around.

23 MR. KELSEY: -- after this is done.

24 Ken Snowden.

1 MR. SNOWDEN: I'm not sure I fully
2 understand all the parameters, but I really
3 question a 30 year PILOT. I've been in and
4 out of local government for the past 30
5 years, usually a 10 year PILOT is the
6 average. The other question is I think if
7 you look at the national laws, and I'm not
8 speaking about this company in particular,
9 but the national law is that most companies
10 do not come close to coming up with the
11 actual numbers that the PILOT projects. 30
12 years encompasses almost 8 presidential
13 elections and I'm not sure that that long
14 term for a company that can afford to build
15 without a mortgage should be something
16 that's considered.

17 MR. KELSEY: Thank you. Thank you.
18 Tom Johnson.

19 MR. JOHNSON: Hi. Thank you very
20 much for having me this evening. Again,
21 representing Crown Cork & Seal, I
22 appreciate everything that's been said so
23 far. And we're just here to answer any
24 questions and be available for, you know,

1 whatever I can add to the conversation.

2 MR. KELSEY: Okay. Thank you.

3 Anyone else at this time? If not then we
4 would adjourn until 6:45.

5 (RECESS TAKEN.)

6 MR. KELSEY: It is 6:45 and is -- and
7 I'll ask is there anyone else that would
8 like to make any comments about this --
9 about this application from Crown Cork &
10 Seal? If not then this hearing is now
11 concluded. Thank you one and all.

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C E R T I F I C A T I O N

I hereby certify that the proceedings and evidence are contained fully and accurately in the notes taken by me on the above cause and that this is a correct copy of the same to the best of my ability.

Caitlyn A Shaylor

CAITLYN A. SHAYLOR