

1 Tioga County Industrial Development Agency

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3 Lockheed Martin Owego Mission Systems
4 and Training Portfolio Expansion

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6 Public Hearing

7

8 Monday, April 21st, 2014, 12:00 p.m.

9

10 Tioga County Office Building

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12 56 Main Street, Owego, New York

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15 PRESENT MEMBERS OF TCIDA:

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17 RALPH KELSEY - Chairman

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19 AARON GOWAN - Treasurer

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21 DEAN DANIELS - Secretary

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23 WILLIAM WOODS - Member

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RAYMOND CASE - Member

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29 REPORTED BY: AMY OSTERSTUCK
30 Shorthand Reporter

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1 CHAIRMAN: It's hard to say welcome
2 all of you, but the few of you, welcome. I
3 am Ralph Kelsey, Chair of the Tioga County
4 Industrial Development Agency. The Agency
5 is conducting this hearing pursuant to
6 General Municipal Law Section 859-a to seek
7 public comment on the application for
8 financial assistance submitted by Lockheed
9 Martin Corporation. The acceptance of the
10 filing by the Agency does not infer any
11 position on the approval or the disapproval
12 of the financial assistance requested. No
13 position will be taken by the Agency until
14 all public hearings and comments are
15 concluded.

16 A copy of the cost benefit analysis
17 provided by the Department of Economic
18 Development and Planning is available in
19 the front of the room for your review.
20 Notice of the hearing was published on
21 April 11th, 2014 in the Press and Sun
22 Bulletin. Each person wishing to speak
23 shall state his or her name. And if you
24 are speaking on behalf of any organization

1 or entity, please identify that
2 organization or entity. Each speaker shall
3 be given 5 minutes to speak. This hearing
4 shall remain open until 12:30, or longer,
5 if public comment warrants.

6 I want to remind you that the purpose
7 of this hearing is to afford you an
8 opportunity to make statements and comments
9 on the application and project plan of the
10 IDA. Your comments will be considered by
11 the IDA in making a decision. This is not
12 a question and answer session. So please
13 remember to identify yourself and the
14 organization or the entity that you are
15 speaking on behalf of prior to your
16 comments.

17 First I will ask LeeAnn, Director of
18 Economic Development and Planning, to
19 explain the benefits requested by Lockheed
20 Martin.

21 MS. TINNEY: My name is LeeAnn
22 Tinney, Director of Economic Development
23 and Planning for Tioga County. This
24 project is related to the Lockheed Martin

1 Owego Mission Systems and Training
2 Portfolio Expansion. Lockheed Martin is
3 proposing the renovation and equipping of
4 existing space at the Lockheed Martin
5 facility located at 1801 State Route 17C,
6 Town of Owego. The renovations will allow
7 for the relocation and merging of heavy
8 machine tool and milling equipment and for
9 the relocation of program specific
10 laboratory space. The projected investment
11 for these renovations are for the purchase
12 of additional equipment, engineering and
13 design fees, and legal and agency fees in
14 the amount of \$19,284,547.

15 There will be no retention of
16 existing jobs as a result of this project;
17 however, the project will create an
18 anticipated new workforce of 130 employees
19 with an estimated payroll of over \$9
20 million in 2015. The renovations are
21 estimated to take 10 months to complete.

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

1 opportunity that has been presented to
2 Lockheed Martin, the Town of Owego, and
3 Tioga County. Several important factors to
4 consider include: The project will provide
5 economies of scale that would greatly
6 enhance new business opportunities for
7 Lockheed Martin MST; the project would
8 position Lockheed Martin Owego as a key
9 complex manufacturing location within the
10 Lockheed Martin Corporation and further its
11 current position as a recognized center of
12 excellence for engineering design and
13 development; the project would provide for
14 new opportunities for new
15 production/technician positions in New
16 York's Southern Tier; the project would
17 assist in stabilizing the employment base
18 at the Owego facility and assist the
19 company in maintaining and growing its
20 large pool New York State based suppliers
21 and vendors; and the project would allow
22 Lockheed Martin Owego to expand its
23 university partnerships, currently focused
24 on electronics packaging, to include

1 complex mechanical systems.

2 Therefore, it is based on these
3 facts, the potential new jobs, and the
4 importance of retaining and enhancing
5 Lockheed Martin in our community, it is the
6 Department of Economic Development and
7 Planning's recommendation to the IDA Board
8 to allow sales tax exemption on this
9 proposed project. There will be no
10 mortgage tax abatement or real property tax
11 abatement associated with the expansion
12 project. Due to the sales tax exemption,
13 the company will realize a benefit
14 estimated at \$1,123,013. This savings,
15 coupled with the State offered JDA package,
16 will allow the Owego facility to be
17 competitive with the other Lockheed Martin
18 locations interested in housing the
19 project.

20 That is the Economic Development and
21 Planning recommendation to the IDA and I am
22 happy to address any comments by the Board.
23 Thank you.

24 CHAIRMAN: Thank you, LeeAnn. Is

1 there anyone that would like to make
2 comments regarding the project at hand?

3 Yes.

4 MR. CASTELLUCCI: Donald Castellucci,
5 Town of Owego Supervisor, and I'm also
6 speaking on behalf of the Town of Owego
7 Board today. I'd just like to read my
8 comments into the record, if I may.

9 Dear Chairman Kelsey, the Town Board
10 supports the proposed sales tax exemption
11 for Lockheed Martin Owego plant. At the
12 reviewing of the proposal, the Town Board
13 recognizes the positive impact this will
14 have on the local labor market, the
15 addition of 130 new employment
16 opportunities, the supplementary benefit to
17 the local established businesses, and the
18 strengthening of Lockheed Martin Owego
19 plant, among regional Lockheed Martin
20 plants, for persuasive reasons that warrant
21 the Board's support.

22 The Town of Owego appreciates
23 Lockheed Martin's contribution to the
24 community and we always look forwarding to

1 partnering with them when possible, like to
2 add that in. Thank you.

3 CHAIRMAN: Thank you.

4 MS. TINNEY: I have two other letters
5 I'd like to read. Thank you. The first is
6 from the Tioga County Legislature.

7 Dear IDA Board members, Ms. LeeAnn
8 Tinney, Director of Economic Development
9 and Planning, presented the Lockheed Martin
10 Mission Systems and Training Portfolio
11 Expansion financial business application to
12 the Tioga County Legislature on Thursday,
13 April 10th, 2014. Ms. Tinney discussed the
14 Lockheed Martin plan to relocate and merge
15 heavy machine tool and milling equipment
16 and to relocate program specific laboratory
17 space in Owego's current production
18 facility located at 1801 State Route 17C,
19 Town of Owego. Ms. Tinney also explained
20 the Lockheed Martin request of the TCIDA
21 for sales tax exemption.

22 The Tioga County Legislature is very
23 mindful that they would like to see
24 economic development avenues, job creation

1 and stabilization, and growth of New York
2 State based suppliers and vendors, and that
3 Lockheed Martin has been a significant
4 partner and asset in this arena.

5 Tioga County Legislature would like
6 to express its support for Lockheed Martin
7 Owego Mission Systems and Training
8 Portfolio Expansion financial assistance
9 application for sales tax exemption from
10 the Tioga County Industrial Development
11 Agency. Thank you. Sincerely, Martha
12 Sauerbrey.

13 I also received a letter from Owego
14 Apalachin Central School District. Dear
15 Ms. Fiato, I'm writing to offer my support
16 for Lockheed Martin's application for
17 financial assistance from the IDA.

18 As our county's largest employer, it
19 is vital that we support opportunities for
20 Lockheed Martin to expand and increase
21 employment. This proposal appears to do
22 just that and should have a beneficial
23 effect for the community for years to come.
24 And particularly supportive of the

1 projected increase in jobs, both direct and
2 indirect, that would result from this
3 expansion.

4 New employees at Lockheed Martin
5 often translate into new students in the
6 Owego Apalachin School. Indeed, we believe
7 the well known quality of our school
8 district is a key factor for people new to
9 the area deciding to live in Owego or
10 Apalachin. A steady and/or growing
11 enrollment is one sign of a healthy school
12 district, so we want to do everything we
13 can to encourage new families to settle in
14 Owego.

15 Financial assistance of this proposal
16 being sales tax saving does not directly
17 affect the school district. I trust the
18 IDA to study the costs and benefits of
19 foregone revenue versus increased economic
20 activity at the facility and have concluded
21 that the benefits outweigh the costs.

22 Thank you for the opportunity to
23 comment on this proposal. Sincerely,
24 William C. Russell, PHD.

