Dutchess County Industrial Development Agency

Ladies and Gentlemen:

Enclosed please find the application of the Dutchess County Industrial Development DCIDA (the "DCIDA"). Please be advised that there is a $1,000.00 application fee to be paid by the client and to be enclosed with the completed application in order to enable the DCIDA to proceed with the benefit package.

You will receive an Engagement Letter which constitutes an explanation of legal fees and costs related to our counsels' work with respect to your project. This Engagement Letter will require an escrow account of $5,000.00 and our counsel will invoice you monthly on an hourly rate basis for services rendered and deduct it from the escrow account. Should you terminate the agreement or abandon the project, any unused funds will be returned to you. If you have any questions concerning this matter, please contact our office.

Be aware that the DCIDA itself does not lend money. Instead, the DCIDA issues bonds for the benefit of the project applicant. The project applicant must find a purchaser of the bonds and agree as to terms and conditions of repayment, interest rate, interim advances during construction, what securities are to be pledged, etc., just as the project applicant and a lender would in any other secured transaction. On filing an application, the project applicant should be fairly secure in knowing where to obtain the requisite moneys.

No work should be commenced or construction contracts entered into or materials ordered or land purchased if any of these expenses are to be included in the bond issue prior to the DCIDA passing an Inducement Resolution and Agreement with the project applicant after an application is filed. To do so may jeopardize the inclusion of the expense of such item in the bond issue.

In completing the application, please note certain material is requested that is required by statute in order to authorize the issuance of the bonds, to wit: the increased employment and your history as to location and why you are expanding or locating in Dutchess County. The bonds are issued as an inducement in industrial, commercial and warehousing facilities that presently do not exist in Dutchess County, or, if they exist, there is an expansion program contemplated. The bond proceeds cannot be used in any way for refinancing existing mortgages.

The processing fees of the DCIDA is one percent (1%) of the first $25 million of the estimated project cost and one-quarter of one percent (.25%) for the estimated project in excess of $25 million. Processing fees for industrial and manufacturing projects are one percent (1%) of the first $2.5 million of the estimated project cost and one-quarter of one percent (.25%) for the estimated project in excess of $2.5 million.

The project applicant additionally will be required to pay DCIDA Counsel fees, Bond Counsel fees and other direct expenses of the DCIDA, including, but not limited to, local workforce compliance monitoring fees, special reports and accounting and engineering expenses. The project applicant agrees that such legal fees and other direct expenses of the DCIDA such as publication costs and stenographer's fees are payable separately from the application and processing fees. The above fees will be payable in full on the sale of the bonds. Failure and neglect to proceed to close will result in pro rata tender of billings.

Upon receiving the application, the DCIDA will contact the principals to discuss the application, as now required by DCIDA policy.

Please note that the DCIDA is under no obligation to act favorably on this application, and the project applicant agrees to release the DCIDA, its members, its staff, its successors and assigns from any claim against the DCIDA that may arise from the DCIDA's processing the application or by the DCIDA's either granting or denying the application.

Because the DCIDA is an exempt organization under the Internal Revenue Code of 1986, as amended, I advise you further that certain benefits will accrue during construction, such as the nonpayment of sales taxes on goods purchased for either initial construction or start-up equipment. Furthermore, upon the filing of documents, no mortgage tax will be necessary between the DCIDA and a trustee or bank collecting the moneys during the financing for the repayment of bonds. In accordance with New York State regulations, you are advised that we are obligated to include a "Recapture of Benefit Provision" in our application which details DCIDA procedure to be utilized to recapture benefits given to projects in certain instances.

If you require further assistance, please feel free to contact our office.

Enclosures

PLEASE TAKE NOTICE — The DCIDA in certain respects is subject to the Freedom of Information Law or Sunshine Laws of the State of New York. If there are any confidential matters or negotiations for real property taking place that would be adversely affected by revelation of the particulars to the public or media, it is suggested that this matter be discussed with the DCIDA Counsel or personnel directly and not set forth in the initial application unless required by Bond Counsel for the preparation of the Inducement Resolution. Any financial disclosures of the project applicant requested should be marked confidential to ensure their attention as confidential documents. Although the DCIDA does not pass on the project applicant's financial ability to pay, which is the bond purchaser's prerogative, the DCIDA does want to know that the project applicant is a viable business enterprise.

Dutchess County Industrial Development Agency

To help companies locate here, make needed capital expansion or grow existing and new jobs.

3 Neptune Road
Poughkeepsie, NY 12601
Phone: 845.463.5400 Fax: 845.463.0100
Email: info@thinkdutchess.com
www.thinkdutchess.com

APPLICATION FOR FINANCIAL ASSISTANCE

Th!nk DUTCHESS

DCIDA Board and Staff
OFFICERS

Chairman
Mark Doyle

Vice Chairman / Treasurer
Ronald J. Piccone II

Secretary
Thomas LeCount

Executive Director
Robin D. Mack

Chief Financial Officer
Jane Denbaum

Compliance Officer/
Records Access Officer
Jane Denbaum

BOARD OF DIRECTORS

Mark Doyle
Ronald J. Piccone II
Amy Bombardieri
Thomas LeCount
Brian Berryann
Kristofer Munn

Counsel
Donald Cappillino
Elizabeth Cappillino

COUNTY GOVERNMENT

County Executive
Sue Serino
Dutchess County Office Building
22 Market Street, Sixth Floor
Poughkeepsie, NY 12601
Tel.# (845) 486-2000(B)
Fax # (845) 486-2021
Email: CountyExe@DutchessNY.gov

This e-mail address is being protected from spambots.

Dutchess County Legislature
Yvette Valdés Smith
Dutchess County Office Building
22 Market Street, Sixth Floor
Poughkeepsie, NY 12601
Tel # (914) 474-0908 (B)
Fax # (845) 486-2113
Email: yvaldessmith@dutchessny.gov

MISSION STATEMENT

The Dutchess County Industrial Development Agency [DCIDA] was created to further economic development in Dutchess County by providing financial assistance to private entities through tax incentives including the issuance of bonds to facilitate the building of capital projects with the resultant construction jobs and permanent follow on employment.

INSTRUCTIONS

I. Application Submission and Application Fees

All applications will be subject to approval of the Dutchess County Industrial Development DCIDA ("DCIDA") and no financial Assistance can be provided, including a sales tax exemption on purchases made prior to DCIDA approval, until the application has been approved.

The DCIDA will not approve any applications unless, in the judgment of the DCIDA, the application contains sufficient information upon which to base a decision whether to approve or tentatively approve an action. The DCIDA may find it necessary to request additional information, should additional information be required the DCIDA will not consider the application complete until all additional information is received.

The DCIDA will not give final approval to this application until the DCIDA receives a completed environmental assessment form concerning the Project.

All projects receiving a benefit greater than $100,000 are required to have a public hearing inclusive of a 10 day notice before any approval can be granted by the DCIDA.

The DCIDA has established an application fee of $1,000.00 to cover the anticipated costs of processing the application. A check or money order made payable to the Dutchess County Industrial Development DCIDA (DC IDA) must accompany each application. The Application WILL NOT be accepted by the DCIDA unless accompanied by the application fee.

When completed, return the application to the *Dutchess County IDA, 3 Neptune Road, Poughkeepsie, NY 12601.*

The applicant will be required to pay to the DCIDA the actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the DCIDA's bond issued to finance the project). The Applicant will also be expected to pay all costs incurred by general counsel and bond counsel to the DCIDA. The costs incurred may be considered as part of the bond issue.

The DCIDA has established an administrative fee for each project it engages. Unless the DCIDA agrees in writing to the contrary, the project fee is required to be paid by the applicant at or prior to the granting of any financial assistance by the DCIDA

II. Application Components and Exhibits

The sections below are included in the Application. These make up the required information and documents that must be completed and submitted to the DCIDA in order for your Application to be considered. Failure to provide information may impact your project being considered in a timely manner.

Fill in all blanks, using "none" or "not applicable" or "N/A" where the question is not appropriate to the project which is the subject of this application (the "Project")

If an estimate is given as an answer to a question, put "est." after the figure or answer, which is estimated.

If more space is needed to answer any question, please attach a separate sheet.

General Information

Section 1- **Applicant Information**

Section 2 – **Project Description and Details**

Section 3 – **Project Evaluation & Assistance Framework**

Section 4 – **Retail Determination**

Section 5 – **Inter-Municipal Move Determination**

Section 6 – **Single or Multi-Tenant Determination**

Section 7 – **Representations, Certifications and Indemnification Forms**

Section 8 – **Local Workforce Certification Form**

Attachment 1 – Environmental Assessment Form (EAF)– An Environmental Assessment must be completed for every project. The Short Environmental Assessment Form is available on the DCIDA Website at, however in some instances a Long Form EAF may need to be completed. https://thinkdutchess.com/dcida-application/

Attachment 2 - DCIDA Standard Fee Schedule and other Fees

Attachment 3 – Additional Community Benefit Metrics Definition

III. Insurance

Once a project is approved by the DCIDA, insurance will be required. Details of the required insurance will be provided in the DCIDA contracts, in the meantime please note that insurance is to be provided after Board approval but prior to utilization of your IDA benefits. Insurance shall be maintained during the term of any applicable Agent Agreement or Lease Agreement by and between the DCIDA and Project Applicant. Proof of Insurance will be required and requested on an annual basis.

IV. Local Workforce Policy

Construction jobs though limited in time duration, are vital to the overall employment opportunities in Dutchess County.

For projects $10,000,000 and above, the DCIDA believes that Project Applicants, as a condition to receiving a real property tax abatement also referred to as a Payment in Lieu of Taxes (PILOT) from the Agency, will be required to utilize qualified Workforce for all projects involving the construction, expansion, equipping, demolition and/or remediation of new, existing, expanded or renovated facilities (collectively, the "Project Site").

The Local Area is defined as individuals residing in the following County /Cities /Towns /Villages as well as the following Counties (collectively, the "Local Area"): Columbia County, Dutchess County, Greene County, Orange County, Putnam County, Rockland County, Sullivan County, Ulster County and Westchester County. Companies receiving a PILOT as part of their financial assistance shall ensure that at least 80% of total work hours of the general contractor, subcontractor, or subcontractor to a subcontractor (collectively the "Workers") working on the Project Site must reside within the Local Area. The 80% shall be measured by hours in total at the time of completion of the project. Companies do not have to be local companies as defined herein, but must employ local Workers residing within the Local Area to qualify under the 80% local Workforce criteria.

It is understood that at certain times, Workers residing within the Local Area may not be available with respect to a Project. Under this condition, the Company is required to contact the DCIDA to request a waiver of the Local Utilization Requirement (the "Local Workforce Utilization Waiver Request") waivers may be granted in the following situations (a) Warranty issues related to installation of specialized equipment or materials whereby the manufacturer requires installation by only approved installers (b) Specialized construction for which qualified Local Workforce Area workers are not available (c) Significant cost differentials in bid prices whereby the use of local Workforce significantly increases the cost of the project. A cost differential of 10% is deemed significant. Every effort should be made by the contractor or applicant to get below the 10% cost differential including, but not limited to, meeting with local construction trade organizations and local contractor associations (d) Documented lack of workers meeting the Local Workforce Area requirement. The DCIDA shall evaluate the Local Workforce Utilization Waiver Request and make its determination related thereto based upon the supporting documentation received with such waiver request.

V. Recapture of Financial Assistance

In order to better ensure the integrity of the projects that receive Financial Assistance from the DCIDA, has determined that is in the public interest: (a) to ensure the continuity of such project and the jobs created by such projects; (b) ensure the use of local workforce during project construction, expansion, equipping, demolition and/or remediation of new, existing, expanded or renovated facilities (c) to ensure that the investment amount as proposed by the Applicant and approved by the DCIDA is made (d) to ensure that the state and local taxes and use tax exemption benefits are utilized in the amount as so authorized by the DCIDA (e) to ensure the state and local sales and use tax exemptions benefits are only utilized by the company/applicant and its duly appointed agents; (f) to ensure that the state and local sales and use tax are only utilized on the specific project as described in the Application and (g) to ensure that the Company complies with the certain material terms and conditions as determined by the DCIDA. At such time as the Applicant fails to meet the terms of the Agreement including failing to retain and create jobs as represented in the Application a recapture of any or all state and local sales and use tax exemption benefits, mortgage recording tax exemption benefits and real property abatement benefits may be required to be paid by the Applicant.

Details on the DCIDA Policies can be found on the DCIDA Website
https://thinkdutchess.com/dcida-policies/

- Maintaining Performance Based incentives for projects granted assistance including a PILOT
- Projects granted assistance without a PILOT.

VI. Submission and Acceptance of the Application for Financial Assistance

Please note that the DCIDA is under no obligation to act favorably on this application, and the project applicant agrees to release the DCIDA, its members, its staff, its successors and assigns from any claim against the DCIDA that may arise from the DCIDA's processing the application or by the DCIDA's either granting or denying the application.

Please note that Article 6 of the Public Officers Law declares that all records in the possession of the DCIDA (with certain limited exceptions) are open to public inspection and copying. Also, as of December 2018, the IDA will post project applications on the Agency's website. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant's competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of Public Officers Law.

General Information

I. Project Identification

Company Name International Business Machines Corporation ("IBM")	FEIN [redacted]
Address 1 New Orchard Road, Armonk, NY 10504	Name and Title of Contact Person Kenyatta Harrison, Facility Manager
City / County / Zip Armonk / Westchester / 10504	Telephone Number [redacted]
website www.ibm.com	email [redacted]
Full Address of the site/location of the proposed project, including County and Zip Code 2455 South Road, Town of Poughkeepsie, Dutchess County, New York 12601	

II Project Request

Please check which type of assistance you are applying for (select all that apply):

Bond Issuance (Tax Exempt / Taxable)	
Straight Lease	X
Payment in Lieu of Taxes	X
Sales Tax Exemptions	X
Mortgage Tax Exemption	

III. Authorizing Signature

The Applicant and the individual executing this Application on behalf of the Applicant acknowledge that the DCIDA 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. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the DCIDA's involvement in the Project.

Signature [signature]
Print Name Jennifer Stewart
Title Director – Head of Global Real Estate, Americas
Date 6/25/26

Section 1: Applicant Information

Applicant Background (company receiving benefit)

Please answer all questions. Use "None" or "Not Applicable" or "N/A" where necessary

A. Company Contact (if different from individual completing application)

Name: Meredith Black
Title: Counsel, IBM Global Real Estate
Address 1 North Castle Drive, Armonk, NY
Phone: [redacted] Fax: N/A
Email: [redacted]

B. Company Counsel:

Name of Attorney: Daniel T. Hubbell, Esq. and Catherine D. Kemp, Esq.
Firm Name: Whiteman, Osterman & Hanna LLP
Address One Commerce Plaza, Albany, NY 12260
Phone: 518.487.7692 Fax: 518.487.7777
Email: dhubbell@woh.com and ckemp@woh.com

C. Form of Business Organization:

X For-profit corporation
___ Not-for-profit corporation
___ General partnership
___ Limited partnership
___ Limited liability company
___ Sole proprietorship

If you are a corporation or limited liability company, please provide date and state of incorporation:

Incorporated June 16, 1911 — New York

If a foreign corporation or foreign limited liability company, please provide date authorized to do business in New York:

N/A — domestic New York corporation

D. Please list Principal Owners/Officers/Directors
(Principal owners that hold more than 15% equity ownership:

IBM is a publicly-traded corporation listed on the NYSE (ticker: IBM). No single owner holds more than 15% of equity. The applicant's officers and directors are disclosed in IBM's most recent SEC filings.

If Applicant has a significant relationship with an affiliate company(ies), please list the name and address of such affiliate(s):

Red Hat, Inc. — 100 East Davie Street, Raleigh, NC 27601

E. Holding Company

Will a Real Estate Holding Company be utilized to own the Project property/facility? ___ Yes X No

What is the name of the Real Estate Holding Company: N/A

Federal Employer ID Number: N/A

State and Year or Incorporation/Organization: N/A

List of stockholders, members, or partners of Applicant: N/A

Describe the terms and conditions of the lease between the applicant and the owner of the property:

N/A — Applicant owns the site; no lease.

F. Applicant Business Description: Brief description of company, operations, products and services Description is critical in determining eligibility. Attach additional pages if needed:

See Attachment: Section 1 - Applicant Information (Supplement)

G. Brief Description of Company History (formation, growth, transitions, location):

See Attachment: Section 1 - Applicant Information (Supplement)

Estimated % of sales within County	Unable to report due to SEC Regulations
Estimated % of sales outside County but within New York State	"
Estimated % of sales outside NYS but within U.S.	"
Estimated % of sales outside the US	"
Total Sales	100%

H. Does the Company have or had projects that were assisted by DCIDA?

_X_ Yes ____ No

I. Has the company received any state or federal subsidies or program assistance in the last 10 years?

_X_ Yes ___ No

If yes, please list subsidies, program assistance or grants

IBM has previously received NY State and local economic-development assistance unrelated to the currently proposed project.

J. Have you contacted or been contacted by other Economic Development Agencies for this project? If yes, please identify which agencies and what other assistance or assistance sought and the dollar amount that is anticipated to receive. _X_ Yes __ No

If yes, please list: IBM maintains an ongoing relationship and regular communications with Empire State Development (ESD); however, it has not received any ESD award, grant, or credit specific to the proposed project.

K. If the company is a party to any significant pending or recently concluded litigation (including bankruptcy), please describe:

None.

L. Is Company in compliance with local, state and federal taxes, workers' protection, and environmental laws?

IBM continues to comply in all material respects with all applicable local, state and federal tax, worker-protection, and environmental laws relating to the project site, and regularly engages with agency representatives to ensure on-going compliance with law. The Poughkeepsie campus is the subject of a long-standing RCRA corrective-action program conducted under the oversight of the U.S. EPA and the New York State Department of Environmental Conservation (EPA ID NYD080480734). The site's corrective-action status is "Corrective Action Complete." IBM remains in good standing with respect to its obligations under that program.

M. Please attach a copy of most recent company annual audit.

IBM's latest SEC filings and Annual Reports can be found at https://www.ibm.com/investor

N. Please attach sales and income projections or a project pro forma for next 3 to 5 years.

Unable to provide due to SEC regulations regarding forward looking investments.

Section 2: Project Description & Details

A. Industry

Please check off the Project's Industry Sector:

___ Natural Resources / Mining	_x_ Information Technology
___ Construction	___ Financial Services
___ Utilities	___ Professional / Business Services
_x_ Manufacturing	___ Education or Healthcare Services
___ Wholesale / Retail	___ Leisure and Hospitality
___ Transportation /Warehousing	___ Government

___ Other (Please write): ______________________________

North American Industrial Classifications Number (NAICS) 334111 — Electronic Computer Manufacturing

B. Project Location

Project Address
12455 South Rd, Poughkeepsie, Dutchess County, NY 12601
477-708 Innovation Way, Poughkeepsie, Dutchess County, NY 12601
29-31 Sand Dock Rd, Poughkeepsie, Dutchess County, NY 12601
Sand Dock Rd, Poughkeepsie, Dutchess County, NY 12601
98 Cliff House Ln, Poughkeepsie, Dutchess County, NY 12601

Section Block Lot (SBL) Number for Property which proposed Project will be located:
- 134689-6060-04-840280
- 134689-6060-04-745089
- 134689-6060-02-820506
- 134689-6060-04-648240
- 134689-6060-04-824101

Property Tax Jurisdiction:

Municipal: Town of Poughkeepsie
School District: Spackenkill Union Free School District

Are the Real Property Taxes current? _x_ Yes ___ No
If no, please explain ______________________________

Utilities: Indicate which, if any, utilities are on site

_x_ Water _x_ Electric
_x_ Gas _x_ Sanitary/Storm Water

Does the Applicant or any related entity hold fee title to the Project Site? X Yes ___ No

If no, Present legal owner of site: ______________________

Does the Applicant or related entity have an option /contract to purchase the Project site? ___ Yes X No

Describe the present use of the proposed Project Site

Manufacturing, research and development, and office space — IBM's active Poughkeepsie campus, a continuously operating advanced-research and advanced-manufacturing facility for the IBM Z mainframe platform and IBM Quantum systems, with associated laboratory, office, utility, and support infrastructure (in continuous use since 1941).

The facility consists of a building/space which will be (check as applicable)

___ Acquired X Constructed
X Renovated ___ Expanded

In the space below briefly describe the proposed project and its purpose (new build, renovations, and equipment purchases). Identify specific uses occurring with the project. Describe any and all tenants and any/all end users. (*Attach detailed information if necessary*).

See Attachment: Section 2 - Project Description & Details (Supplement)

Describe why the DCIDA's financial assistance is necessary and if the applicant is unable to obtain DCIDA financial assistance, what will be the impact on the Applicant and Dutchess County and/or municipality? Would the applicant proceed with the project without DCIDA assistance? *(Attached additional sheets if necessary).*

See Attachment: Section 2 - Project Description & Details (Supplement)

Please confirm by checking the box below if there is a likelihood that the Project would be not undertaken but for the Financial Assistance provided by the DCIDA.

X Yes ___ No

If the Project could be undertaken without Financial Assistance provided by the DCIDA, then provide a statement below indicating why the Project should be undertaken by the DCIDA.

Not applicable.

To the extent the project serves a local market area, is there a recognized and demonstrable need for the products or services the project will provide in the project's market area?

Not applicable.

Is the project compatible with and will significantly assist and enhance all development plans for its area established formally or informally by local, county, state and federal authorities?

See Attachment: Section 2 - Project Description & Details (Supplement)

Will the project be incorporating new energy efficiency factors in the design and operation of project? If yes, please elaborate. If no, please explain why it will not.

See Attachment: Section 2 - Project Description & Details (Supplement)

Is the project of a speculative nature?

No.

Is this part of a Multi-Phase Project? __X__ Yes ___ No

Will the Project include leasing any equipment? ___ Yes __X__ No

C. Zoning of Project Site:

Current IH (with WD2 overlay)

Proposed No change

Are any variances needed? If so, please list:

No

If a change in zoning/land use is required, please provide the details/status of any request for change in zoning/land use requirements.

N/A — no change in zoning/land use; existing IH (WD2 overlay) permits the use.

The approximate acreage of the land to be purchased or leased:

N/A — Applicant owns the existing Poughkeepsie campus.

The approximate square footage of the existing building to be purchased or space to be expanded/renovated is:

44,000 SF

The approximate square footage of the planned *new* construction is:

300,000 SF

Please note that the DCIDA cannot provide any financial assistance until the environmental review required under the State Environmental Quality Review Act ("SEQRA") has been completed. Please complete the annexed Short Form Environmental Assessment Form. Based upon the information provided in that form and elsewhere in this application, the DCIDA may require further information regarding potential environmental impacts.

If this project is likely to have a significant adverse impact on the environment (a "Type I" action), then the action is probably required to be reviewed by one or more other state or local agencies, such as a local zoning or land use authority. In that event, the DCIDA generally will not act as "lead DCIDA," and any action by the DCIDA must await completion of the SEQRA review by the other DCIDA. If that is not the case, i.e., if the proposed action is a "Type II" or "unlisted" action under SEQRA, the DCIDA may act independently for SEQRA purposes.

Any known environmental contamination or remediation issues? X Yes __ No

If yes, please list: See Attachment: SEQRA FEAF Part 1

Has another entity been designated lead agent under the State Environmental Quality Review Act? X Yes __ No

If yes, please explain Town of Poughkeepsie Planning Board

The DCIDA will not provide any financial assistance to the Project until the environmental findings required under SEQR have been made.

D. Investment (Uses and Sources)

Uses (Facility Costs) Please give an accurate estimate of the costs of all of the following items.
Applicants are encouraged to discuss the project with DCIDA in order to estimate costs.

1. **Real Estate**
(Acquisition cost of land and /or existing structures) $ 0

2. **New Construction** $ [redacted]

3. **Reconstruction/Renovation/Expansion**

4. **Infrastructure Work** $

5. **Fixed Equipment (Taxable)** (Spending that will be subject to sales tax – i.e. machinery and equipment) $

6. **Other Tax Exempt**
(non-construction spending that will not be subject to sales tax) $

7. **Professional Services** (Architect, Legal Fees[1], Engineering fees) $

8. **Other Taxable** (please specify) BOM: Assembly & Test Floor & Quantum Machines $

9. **Other** (please specify) Helium Plants $

Estimated Total Project Cost $ 2,509,700,000

Uses (Financing, Legal, Miscellaneous)

	Estimated Fees
IDA Administrative Fees (See page 1)	$ 6,293,000
IDA Counsel	$ TBD
Applicant Counsel	$ Incl. in Prof. Svcs (Item 7)
Transaction Counsel	$ 0
Bond Counsel	$ 0
Underwriter Counsel	$ 0
Trustee Counsel	$ 0
Other Costs of Bond Issue (i.e. printing)	$ 0
If this is a bond transaction, will you be refunding bonds? And if so state amount here	$ N/A – not a bond transaction

DCIDA costs such as public hearings and legal notice fees are the responsibility of the Applicant from the time an application is submitted.

E. SOURCES

Amount of equity	$ 2,509,700,000
Amount of other conventional financing	$ 0
Amount financed by bond issue	$ 0
Public Sources (Include sum total of all state and federal grants and tax credits)*	$ 0
Total Sources of Funds for Project Cost	$ 2,509,700,000

*Identify each state and federal grant/credit

	$
	$
	$

F. Project Construction Schedule

What is the proposed date for commencement of acquisition or construction of the Project?

September 2026

Please indicate the actual or expected dates of :

Construction completion: 1H 2029

Occupancy: YE 2029

Will the company be occupying 100% of the completed facility? X Yes ___ No

If no, will there be tenants in the remaining space? ___ Yes ___ No

- *Detailed questions will be asked in Section 5* – Single or Multi-Tenant Determination

Describe any contracts or agreements (options to purchase, purchase contracts, construction contracts, and equipment orders) which have been entered into with respect to the facility. Please note that the DCIDA may not provide benefits to any purchases made prior to the execution of a Letter of Authorization for Sales Tax Exemption.

The Applicant has entered into customary pre-development agreements related to project planning, design, engineering, permitting, and due diligence activities. No demolition, new construction, renovation, or facility improvement work for which DCIDA financial assistance is being requested has commenced as of the date of this application. Future construction contracts and equipment purchases will be undertaken in accordance with DCIDA requirements and applicable authorization documents.

Section 3: Project Evaluation and Assistance Framework

All projects must meet the Baseline Requirements to be considered for DC IDA benefits

A. **Baseline Requirements** (Must Achieve All)

X Complete Application	X Meets Project Use Definition
X Meets NYS/DCIDA Requirements	X "But For" Requirement
__ SEQRA / Planning Approval	X Will Directly Retain or Create Jobs

Approval Date: Pending - estimated completion Auguest/September

B. Additional Community Benefits

Projects that meet the baseline eligibility requirements and achieves a threshold of at least six (6) community benefit metrics may be considered for a deviation or an enhanced Payment in Lieu of Taxes (PILOT) formula. Detailed definitions of the Community Benefit are included in Attachment 3. Proof of providing additional community benefits may require third party verification. Any projects pledging additional Community Benefits and receiving an enhanced PILOT that fail to meet the requirements may be subject to assistance termination, modification or recapture.

Revitalization	*Investment*	*Employment*
Target Geography	**Financial Commitment**	**Permanent Jobs**
__ Distressed Census Tract/Area	__ 3 – 10 million	__ 3-40
__ High Vacancy Census Tract	__ 10.1 – 17.5 million	__ 21-80
__ Transit Oriented Development	__ 17.6 – 25 million	__ 81-120
__ BID	X >25 million	X 121-180
__ Neighborhood Plan		__ > 180
	Community Commitment	
Identified Priority	__ MWBE/DBE Participation	**Retained Jobs**
__ Tax Exempt	__ Veteran Participation	__ 3-40
X Vacant	__ Workforce /Affordable Housing	__ 21-80
X Adaptive Re-use	__ Local Workforce	__ 81-120
X Community Catalyst	__ Apprenticeship Program	__ 121-180
	__ Public Infrastructure	X > 180
Identified Growth Area	**Environmental Factors**	**Construction Jobs**
X Manufacturing / Distribution	X Resource Conservation	__ 6-80
X Technology	X Energy Efficiency	__ 81-160
X Existing Cluster	X Green Technology	__ 161-240
	X Alternative / Renewable Energy	X >240

C. Project Benefits

Financial Assistance Provided

1. Estimated Sales Tax Exemption^

Amount of Project Cost Subject to Tax		Sales Tax Rate		Total
$ 1,281,990,000	X	.08125	=	$ 104,161,688

2. Estimated Mortgage Recording Tax Exemption

Projected Amount of Mortgage		Mortgage Recording Tax		Total
$ 0	X	.0075	=	$ 0

**As of September 2016, DC IDA cannot exempt the MTA portion of the mortgage recording tax*

3. Estimated Property Tax Abatement

Project Property Value:

Current Assessed Value:	$109,232,700
Current Property Taxes	$6,328,093
Estimated Property Value after project completion	$113,604,817

Will the Project utilize the DCIDA's Uniform Tax Exemption Formula? ___ Yes X No

If no, please describe the real property tax exemption formula and a justification (attach additional sheets if necessary)

See Attachment: Section 3 - Project Evaluation and Assistance Framework

Estimated tax abatement resulting from this project $ TBD
(Consult with DCIDA for assistance with this calculation)

^Note that the DCIDA may utilize the estimate above as well as the proposed total Project Cost as contained within this application to determine the Financial Assistance that will be offered.

D. Employment

A. Benefits = Economic Development Impacts (For Project Location Only)

By statute, the DCIDA must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. The DCIDA will use job projections upon the two (2) year time period following Project completion.

a. Employment should be quantified by "FTE", which shall mean: (a) a full-time, permanent, private-sector employee on the project's payroll, who has worked (or is projected to work) at the project facility for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is (or will be) entitled to receive the usual and customary fringe benefits extended by the Applicant to other employees with comparable rank and duties;

b. or (b) two part-time, permanent, private-sector employees on the Applicant's payroll, who have worked (or are projected to work) at the project facility for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are (or will be) entitled to receive the usual and customary fringe benefits extended by the Applicant to other employees with comparable rank and duties

Employment by category at Project Location only

Job Category	Current Number of FTE's	Number of FTE's Retained	Average Salary or Range of Salary	Number of FTE's to be created upon 2 years	Average Salary or Range of Salary
Owner/Executive					
Professional					
Management					
Administrative					
Production					
Other					
Total*	See Attachment: Section 3 - Project Evaluation and Assistance Framework.				

Are employees currently covered by a collective bargaining agreement?
If yes, Name and Local?
IBM does not have a broad U.S. collective bargaining agreement covering its employees.

Are employees provided retirement benefits? X Yes __ No

Are employees provided health benefits? X Yes __ No

Estimate the projected monthly timeframe for the creation of new permanent jobs at project location

Year 1	1	2	3	4	5	6	7	8	9	10	11	12
Year 2	1	2	3	4	5	6	7	8	9	10	11	12

See Attachment: Section 3 - Project Evaluation and Assistance Framework.

Use of Local Workforce

The Dutchess County IDA supports the use of local workforce for projects receiving benefits from the DCIDA. Answers to the following questions will assist the DCIDA in evaluating the application.

The Local Workforce Area for **permanent jobs** includes residents in the County/Cities/Towns/Villages as well as the following Counties:, Dutchess County, Orange County, Putnam County, Rockland County, Sullivan County, Ulster County and Westchester County.

If a "local workforce plan" has been developed please include that plan as an addendum to this application.

Estimate the number of residents of the labor workforce area in which the Project is located that will fill the projected new jobs to be created.

TBD

How will the project developer seek out and use the local workforce.

IBM recruits regionally across the Mid-Hudson Valley and partners with regional universities, community colleges, and workforce programs; specialized quantum and cryogenic roles draw on IBM's established Poughkeepsie talent base.

Projects $10,000,000 and above, which are receiving a real property tax abatement, are subject to DCIDA's Local Workforce Policy during the period of construction

The *Labor Workforce Area* for **construction jobs** under the Local Workforce Policy includes residents in the County/Cities/Towns/Villages as well as the following Counties: Columbia County, Dutchess County, Greene County, Orange County, Putnam County, Rockland County, Sullivan County, Ulster County and Westchester County.

How many construction jobs are anticipated to be created? 250

Section 4: Retail Determination

DCIDA assistance to retail projects (including hotels and restaurants) is subject to certain statutory restrictions.

To ensure compliance with Section 862 of the New York General Municipal Law, the DCIDA requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

1. Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below please complete this section.

   Retail Sales ☐ Yes ☒ No Services ☐ Yes ☒ No

For purposes of this question, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sales 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.

2. Will any portion of the project (including that portion of the cost to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in makes sales of good or services to customers who personally visit the project site?

   ☐ Yes ☒ No If yes, please continue. If no, proceed to the next section

3. What percentage of the cost of the Project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? N/A % If the answer is less than 33% than proceed to the next section.

If the answer to question 2 is Yes and the answer to question 3 is greater than 33% indicate which of the following questions following apply to the project:

Is the project location or facility likely to attract a significant number of visitors from outside Dutchess County?

☐ Yes ☐ No

If yes, please provide a third party market analysis or other documentation supporting your response.

N/A. The project is an advanced-manufacturing and research facility. No portion of the project consists of facilities used to make sales of goods or services to customers who personally visit the site. The retail-determination subsections (≥33% test, visitor-draw, market-need, distressed-area) are therefore not applicable, and the project will preserve and increase permanent private-sector jobs in New York State.

Is the predominant purpose of the project to make available goods and services which would not, but for the project, be reasonably accessible to the residents of the municipality within which the proposed would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services?

☐ Yes ☐ No

If yes, please provide a third party market analysis or other documentation supporting your response.

Will the project preserve permanent, private sector jobs or increase the overall number of permanent private sector jobs in New York State?

☒ Yes ☐ No If yes, please explain

The Project is an advanced-manufacturing and research facility that will preserve and increase permanent private-sector jobs in New York State.

Is the project located in a Highly Distressed Area?

☐ Yes ☐ No

Section 5 – Inter-Municipal Move Determination

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 area of the State of New York:

___ Yes   _X_ No

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?

___ Yes   _X_ No

Will the Project result in the abandonment of one or more plants or facilities located in the State of New York?

___ Yes   _X_ No

If the answer to either of the foregoing questions in this subpart is positive, please explain in detail, on as many separate sheets as necessary, the reasons for the relocation, abandonment or closure, including, without limitation, (i) any considerations regarding the applicant's (or other occupant's) ability to remain competitive in its industry, and (ii) any consideration which has been given to relocating to any location outside the State of New York.

____

____

____

Please note that the DCIDA may ask you to provide additional information regarding the foregoing, including documentary support

Section 6 – Single or Multi-Tenant Determination

Permissible projects are defined in the NYS General Municipal Law and the IDA may not be able to grant financial assistance to all tenants of a multi-tenant project. To assist in that determination please complete the following section.

Please note if the tenant qualifies as a permissible project, the Project Applicant will be responsible for collecting the required reporting information from the tenant(s).

Please explain what market conditions support the construction of this multi-tenant facility:

N/A. IBM will own and occupy 100% of the IQF building. A portion of the campus is currently occupied by a third-party tenant pursuant to an existing lease. The lease is scheduled to expire in March 2027, and the space is expected to be vacated at that time. The Applicant does not anticipate entering into any replacement sublease arrangements for the space following the expiration of the current lease.

Have any tenant leases been entered into for this project?

___ Yes   _X_ No

If yes, please list below and provide square footage to be leased to tenant and NAICS code for tenant and nature of business. (Attach additional sheets if necessary)

Tenant Name	Current Location (city, state, zip)	# of sq.ft leased	% of total to be occupied at project location	NAICS and business description (type of business, products, etc)

New York State
Applicant Requirements
For Industrial Development Agencies

The Applicant has read the foregoing Application and knows the contents thereof, and hereby represents, understands, and otherwise agrees with the DCIDA and as follows:

1. Absence of Conflicts of Interest

The Applicant has received from the DCIDA a list of the members, officers and employees of the DCIDA. No member, officers or employees of the DCIDA has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

None.

2. Job Listing

In accordance with Section 858-b(2) of the New York General Municipal Law, Applicant understands and agrees that, if the Project receives any Financial Assistance from the DCIDA, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed within the New York State Department of Labor, Division of Employment and Workforce Solutions (the DOL) and with the American Job Center of the service delivery area created by the federal Workforce Innovation and Opportunity Act (WIOA) in which the Project is located.

3. First Consideration for Employment

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 DCIDA, except as otherwise provided by collective bargaining agreements, where applicable, the Applicant will first consider persons eligible to participate in WIOA programs who shall be referred by the American Job Center for new employment opportunities created as a result of the Project.

4. Annual Employment Reports

The Applicant understands and agrees that, if the Project receives any Financial Assistance from the DCIDA, the Applicant agrees to file, or cause to be filed, with the DCIDA, on an annual basis, reports regarding the number of people employed at the project site, salary levels and such other information as part of the DCIDA's Employment Report.

5. Fees

This obligation includes an obligation to submit DCIDA Fee Payment to the DCIDA in accordance with the DCIDA Fee policy effective as of the date of this Application.

6. Freedom of Information Law (FOIL)

The Applicant acknowledges that the DCIDA is subject to New York State's Freedom of Information Law (FOIL). Applicants understand that all project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.

7. Recapture Policy

The applicant acknowledges that is has been provided with a copy of the DCIDA's *Policy on Maintaining Performance Based Incentives*. The Applicant agrees that it fully understands the Policy on Maintaining Performance Based Incentives is applicable to the Project that is the subject of this application and the DCIDA may implement the Policy if and when it is required to do so.

Financial Reporting Requirements
Chapter 692 of the Laws of 1989 requires additional financial reporting requirements from all IDA's in New York State.

8. Sales Tax

Section 874(8) of the New York general Municipal Law requires all entities appointed as agents of the DCIDA for sales tax purposes to file an annual form, as prescribed by the New York State Department of Taxation, describing the value of sales tax exemptions claimed by the Applicant and all its subagents, consultants, or subcontractors. Copies of all filings shall be provided to the DCIDA.

The Applicant hereby agrees to complete "ST-60, IDA Appointment of Project Operator or Agent for Sales Tax Purposes" for itself and each agent, subagent, contractor, subcontractor, contractors or subcontractors of such agents and subagents and to such other parties as the Applicant chooses who provide materials, equipment, supplies or services and deliver said form to the DCIDA within fifteen (15) days of appointment such that the DCIDA can execute and deliver said form to the State Department of Taxation and Finance within thirty (30) days of appointment.

9. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:

   §862 Restrictions on funds of the DCIDA. (1) No funds of the DCIDA shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the DCIDA shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

10. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations

11. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18A of the New York General Municipal Law, including, but not limited to, the provisions of Section 859a and Section 862(1) of the New York General Municipal Law.

12. **Bonds**

    a. **All bonds issued, outstanding or retired during the year must indicate the following:**

       Month and year issued; Interest rate at year end; outstanding beginning of year; issued during year; principal payments during year; outstanding at end of year; and final maturity date. This information will be requested from you in January of each year.

    b. **All new bonds issued need the following supplemental information:**

       Name of the project; tax exemptions separated by State and local sales tax, County and school taxes; Mortgages recording; Payments in lieu of taxes; New tax revenue if no exemption is granted; number of jobs created and other economic benefits. This information is required each year and will be requested from you in September of each year.

Signature [signature]
Print Name Jennifer Stewart
Title Director - Head of Global Real Estate, Americas
Date 6/25/26

HOLD HARMLESS AGREEMENT

Applicant hereby releases the Dutchess County Industrial Development DCIDA and its members, officers, servants, agents and employees thereof (the "DCIDA") from, agrees that the DCIDA shall not be liable for and agrees to indemnify, defend and hold the DCIDA harmless from and against any and all liability arising from or expense incurred by (A) the DCIDA'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 DCIDA, (B) the DCIDA's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the DCIDA with respect to the Project; including and 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. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the DCIDA or the Applicant are unable to reach final agreement with respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the DCIDA, its agents or assigns, all costs incurred by the DCIDA in the processing of the Application, including attorneys' fees, if any. The DCIDA reserves the right at any time, as a condition to further consideration of this application, to require reimbursement of any such costs incurred, or to require a deposit against such costs and to apply such deposit to the DCIDA's costs as incurred.

Signature ____________________
Print Name Jennifer Stewart
Title Director - Head of Global Real Estate, Americas
Date 6/25/26

2) Bond Information

N/A — Not a bond transaction; no bond financing is requested.

1. State Bond Issuance Fees: N.Y. Public Authorities Law §2976(2) levies upon the DCIDA the following (which amount must be paid to the DCIDA by the applicant):

Principal Amount of Bonds	Percentage Fees
$1,000,000 or less	.168
$1.000.000 to $ 5.000.000	.336
$5.000.001 to $ 10.000.000	.504
$10.000.001 to 20.000000	.672
More than $20,000,000	.084

2. Total Funds Required ____________ Estimated Term ____________

3. Indicate the date by which the proceeds of the DCIDA's bonds, if issued will be needed

Date Required ____________

3) Certification

To Be Completed for Bond Financing only

N/A — Not a bond transaction; no bond financing is requested. This certification is not applicable.

_______________________________________ deposes and says that he/she is
(Name of Officer of Company submitting application)

the _______________________________ of _______________________________
(Title) (Company Name)

The corporation named in the attached application; that he/she has read the forgoing application and knows the contents thereof; that the same is true to his/her knowledge.

Deponent further says that the reason this verification is being made by the deponent and not by

_______________________________________ is because the said Company is a Corporation.
(Company Name)

The grounds of deponent's belief relative to all matters in the said application which are not stated upon his/her own personal knowledge, are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his/her duties as an officer of and from the books and papers of said corporation.

As an officer of said corporation (hereinafter referred to as the "applicant"), deponent acknowledges and agrees that applicant shall be and is responsible for all costs incurred by the Dutchess County Industrial Development DCIDA (hereinafter referred to as the "DCIDA") acting on behalf of the applicant during the attendant negotiations and leading to the issue of bonds. If, for any reason whatsoever, the applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified time to take reasonable, proper, or request action, or withdraws, abandons, cancels, or neglects the application, or if the DCIDA or applicant are unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, applicant shall pay to the DCIDA, its' agents, or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees of bond counsel for the DCIDA and fees of general counsel for the DCIDA.* Upon successful conclusion and sale of the required bond issue, the applicant shall pay to the DCIDA an administrative fee set by the DCIDA.

____
(Chief Officer of Company submitting)

_______________________________________ _______________________________
Print Name Title

____
Date

NOTARY: Sworn to me before this ______________ day of ______________ , 20 ________
*Applicant is responsible for payment of any State Bond Issuance Fees.

____
Notary Public (Please Affix Stamp)

Section 8 - Local Workforce Utilization Policy and Certification

Construction jobs, though limited in time duration, are vital to the overall employment opportunities in Dutchess County. The Dutchess County Industrial Development Agency (the "Agency") has determined that Project Applicants (the "Company"), as a condition to receiving a real property tax abatement also referred to a Payment in Lieu of Taxes (PILOT) from the Agency, will be required to utilize qualified Workforce, as defined below, for all projects involving the construction, expansion, equipping, demolition and/or remediation of new, existing, expanded or renovated facilities (collectively, the "Project Site").

For Projects $10,000,000 and Above Receiving a Real Property Tax Abatement

Local Area Defined

For projects equal to or greater than $10,000,000 the Local Area is defined as individuals residing in the following Counties (collectively, the "Local Area"): Columbia County, Dutchess County, Greene County, Orange County, Putnam County, Rockland County, Sullivan County, Ulster County and Westchester County.

Local Workforce Requirement

Companies receiving a PILOT as part of their financial assistance shall ensure that at least 80% of total work hours of the general contractor, subcontractor, or subcontractor to a subcontractor (collectively the "Workers") working on the Project Site must reside within the Local Area. The 80% shall be measured by hours in total at the time of completion of the project. Companies do not have to be local companies as defined herein, but must employ local Workers residing within the Local Area to qualify under the 80% local Workforce criteria.

Local Workforce Reporting Requirement

The Local Workforce criteria will be verified based on employment, payroll and related records.

In addition, the Agency, or its designated agents, shall have the right, during normal business hours, to examine and copy records of the Company and to perform spot checks of all Workers at the Project Site to verify compliance with the Local Workforce requirement throughout the construction period.

Enforcement

If Agency staff determines that: (1) The Local Workforce Requirement is not being met; or (2) Agency Staff, upon use if its reasonable discretion, discovers or becomes aware of a compliance issue related to the Local Workforce Requirement, then a written warning delivered by Certified Mail of said Local Workforce Requirement violation (the "Warning of Violation") shall be provided to the Company.

In the event a subsequent violation of the policy has occurred, then written notice delivered by Certified Mail of said Local Workforce Requirement violation (the "Notice of Violation") shall be provided to the Company and the Executive Director shall bring the information to the Board of Directors which may, in its discretion, take action to revoke IDA benefits.

The Company has the primary obligation for the adherence to all the conditions of this policy. This obligation cannot be relieved, evaded or diminished by assigning a Contractor or through subcontracting. Should the project applicant assign a Contractor, the Company shall continue to have primary obligation.

Projects with multiple phases or projects with multiple owner entities will be considered in whole during the enforcement period.

Waiver Request

It is understood that at certain times, Workers residing within the Local Area may not be available with respect to a Project. Under this condition, the Company is required to contact the Agency to request a waiver of the Local Utilization Requirement (the "Local Workforce Utilization Waiver Request") based on the following circumstances:

- Warranty issues related to installation of specialized equipment or materials whereby the manufacturer requires installation by only approved installers

- Specialized construction for which qualified Local Workforce Area workers are not available;

- Significant cost differentials in bid prices whereby the use of local Workforce significantly increases the cost of the project. A cost differential of 10% is deemed significant. Every effort should be made by the contractor or applicant to get below the 10% cost differential including, but not limited to, meeting with local construction trade organizations and local contractor associations

- Documented lack of workers meeting the Local Workforce Area requirement

The Agency shall evaluate the Local Workforce Utilization Waiver Request and make its determination related thereto based upon the supporting documentation received with such waiver request.

The foregoing terms have been read, reviewed and understood by the Company and all appropriate personnel. The undersigned agrees and understands that the information contained herein must be transmitted and conveyed in a timely fashion to all applicable subcontractors, suppliers and materialmen. Furthermore, the undersigned realizes and understands that failure to abide by the terms herein could result in the Agency revoking all or any portion of Financial Assistance, whether already received or to be received by the Company, as it deems reasonable in its sole discretion for any violation hereof.

IBM

Name of Company

[signature] 6/25/26

Name:

Director - Head of Global Real Estate, Americas

Title

Jennifer Stewart

print

Attachment 1 - Short Environmental Assessment Form

Please complete a Short Form Environmental Assessment Form (https://www.thinkdutchess.com/clientuploads/IDA/seafpartsoneandtwo.pdf) . Based upon the information provided in that form and elsewhere in this application, the DCIDA may require further information regarding potential environmental impacts.

If this project is likely to have a significant adverse impact on the environment (a "Type I" action), then the action is probably required to be reviewed by one or more other state or local agencies, such as a local zoning or land use authority. In that event, the DCIDA generally will not act as "lead agency," and any action by the DCIDA must await completion of the SEQRA review by the other agency. If that is not the case, i.e., if the proposed action is a "Type II" or "unlisted" action under SEQRA, the DCIDA may act independently for SEQRA purposes.

Attachment 2 – Agency Standard Fee Schedule and other fees

DCIDA Standard Fees

APPLICATION FEE: $1,000.00

SPECIAL MEETING FEE: $500.00 per meeting

ADMINISTRATIVE FEE FOR PROJECTS INVOLVING A PILOT:

A. *For Industrial Projects (defined as Manufacturing, Distribution, Tech including software and research and development projects)*

One percent (1%) of the first $2.5 million of the estimated project cost and one-quarter of one percent (.25%) for the estimated project in excess of $2.5 million with a minimum administrative fee of $25,000.

B. *For All other projects including Commercial Projects (defined as Mixed Use, Commercial Housing, Tourism and Retail if permitted)*

One percent (1%) of the first $25 million of the estimated project cost and one-quarter of one percent (.25%) for the estimated project in excess of $25 million with a minimum administrative fee of $25,000.

ADMINISTRATIVE FEE FOR PROJECTS INVOLVING SALES TAX AND/OR MORTGAGE RECORDING TAX EXEMPTIONS ONLY, including requests for additional sales tax and mortgage tax benefits:

$5,000 plus 1% of the benefit amount.

- For active IDA projects that include a PILOT requests for additional sales and mortgage tax benefits whereas the total project cost will increase by $10,000,000 or more will be subject to the administrative fee with a PILOT schedule.

BOND ISSUANCE FEE: One percent (1%) of the first $2.5 million of the estimated project cost and one-quarter of one percent (.25%) for the estimated project in excess of $2.5 million with a minimum of $25,000.

ANNUAL COMPLIANCE FEE: $1,000.00 to be billed annually

The fee schedule outlined in this schedule does not include fees and costs related to our counsels' work with respect to your project including the public hearing fees. Applicants are also required to pay for additional fees and costs related to Local Workforce monitoring and special reports/analyses that Board may request related to the project.

All projects are reviewed for its complexity and the Executive Director has the authority to negotiate additional fees to clients for costs associated with unusual situations or extraordinary needs related to the project, including additional costs incurred as result of holding special meetings of the IDA Board. The CEO will present any modifications or additional fees from the fee schedule outlined above to the DCIDA Board for approval.

Adopted May 12, 2021
Amended January 12, 2022

Attachment 3 – Additional Community Benefit Definitions

Target Geography

Distressed Census Tract/ Area
Proposed project is located in a distressed census tract or area as defined by New York State. Project owner/applicant will be responsible for showing verification.

High Vacancy Census Tract
Proposed Project is located in a census tract with a vacancy rate of at least fifteen percent (15%), rounded to the nearest percentage point, according to the most recent census data. Project owner/applicant will be responsible for showing verification.

Transit Oriented Development
Proposed Project is located in the municipality's Transit Oriented Development Zone and is consistent with the municipality's development strategy. Project owner/applicant will be responsible for showing verification.

BID
Proposed project is located within the boundaries of the municipality's Business Improvement District. Project owner/applicant will be responsible for showing verification.

Neighborhood Plan
Proposed Project is in response to a municipal's RFP/RFI for a Neighborhood / Community Development Plan. Project owner/applicant will be responsible for showing verification.

Identified Priority

Tax Exempt / Vacant
Proposed project is located on a parcel designated tax exempt prior to the time of purchase by the project owner/ applicant/ and/or an unoccupied parcel(s) of land or building that is at least ninety (90%) vacant. Cases in which a property is vacated for the purpose of pursuing the proposed project may not be considered vacant.

Adaptive Re-use
Project that result in the rehabilitation/renovation of a distressed building or parcel

Community Catalyst
Proposed project contributes to an existing policy or initiative for improving conditions and catalyzing change in the community.

Identified Growth Area

Manufacturing / Distribution
Proposed project must result in the creation, retention or expansion of manufacturing or distribution facilities as well as the creation and/or retention of permanent jobs

Technology
Proposed project must result in the creation, retention or expansion of tech sector facilities as well as the creation and/or retention of permanent jobs

Existing Cluster
Proposed project must result in the creation, retention or expansion of facilities as well as the creation and/or retention of permanent jobs in an existing County cluster, including technology, healthcare, education and hospitality.

Investment

Proposed project invest is the amount in dollars ($) that will be spent in order to complete the project and includes but is not limited to: acquisition costs, construction hard costs, soft costs, and contingency costs required to complete the project.

Community Commitment

Minority and Woman-Owned Business Enterprise/Disadvantaged Business Enterprise Participation
Proposed project commits that at least twenty percent (20%) of the value of awarded construction of the proposed project is performed by minority or woman – owned operators. Project owner/applicant will be responsible for providing independent third-party verification upon project completion. MWBE/DBE participation goals indicate the percentage (in dollars) of a contract that must be performed by a NYS-certified woman– or minority-owned business enterprise or Federally-certified disadvantaged business enterprise. The goals may be met through an MWBE/DBE prime contractor's self-performance, a joint venture between an MWBE/DBE and non-MWBE/DBE firm, or through the use of MWBE/DBE subcontractors.

Veteran Utilization
Proposed project commits that at least ten percent (10%) of the workforce employed during construction of the proposed project are veterans. Project owner/applicant will be responsible for providing independent third party verification upon project construction completion.

Workforce / Affordable Housing
Proposed project commits to at least ten percent (10%) of total residential rental units are to be reserved for and/or rented to low-income households as defined by the most recently available U.S. Housing and Urban Development State Income Limits for the term of the Agency financial assistance. Project owner/applicant will be responsible for providing independent third party verification on an annual basis.

Local Workforce
Proposed project commits to at least eighty percent (80%) of construction jobs will be filled by local residents as defined in by the DCIDA Local Workforce Policy. Project owner/applicant will be responsible for providing verification until project construction completion.

Licensed Apprenticeship Program
Proposed project commits to at least fifty percent (50%) of the contractors or subcontractors maintain a New York State certified apprenticeship program. Project owner/applicant will be responsible for providing independent third party verification upon project construction completion.

Public Infrastructure
Proposed project will entail the private construction and installation of infrastructure for public benefit. Project owner/applicant will be responsible for providing independent third party verification upon project completion.

Employment

Permanent Created (New) Job
A created (new) permanent job is a new a position created over and above the business' current baseline. Construction jobs are not considered to be permanent new jobs. Project owner/applicant will be responsible for reporting on an annual basis.

Permanent Retained Job
A permanent retained job is a position that, but for the project investment, would be removed, relocated, or eliminated. Construction jobs are not considered to be permanent retained jobs. Project owner/applicant will be responsible for reporting on an annual basis.

Construction Jobs
A construction job is a position created during the construction phase and for the purpose of completing the project. Project owner/applicant will be responsible for reporting on an annual basis until construction project completion.

APPENDIX

Supplemental Attachments to DCIDA Application

Exhibits:

I. SEQRA – Full Environmental Assessment Form: Part 1

II. IBM Quantum Facility (IQF) Concept Plans

Section 1 – Applicant Information

SUPPLEMENTAL ATTACHMENT TO DCIDA APPLICATION

F. Applicant Business Description

International Business Machines Corporation is a global technology company that designs, manufactures, and delivers integrated hardware, software, and services to enterprises, governments, and research institutions in more than 175 countries. IBM's principal business lines are software (hybrid-cloud platforms, data and AI platforms, automation, and the watsonx family of enterprise-AI products), consulting (business and technology transformation services), and infrastructure (the IBM Z and LinuxONE mainframe franchise, power systems, storage, and quantum-computing hardware and services). IBM also operates IBM Research, one of the largest private-sector industrial research organizations in the world.

At the Poughkeepsie site that is the subject of this application, IBM conducts advanced research, engineering, systems development, integration and test, and final manufacturing and fulfillment of the IBM Z mainframe platform and IBM's quantum-computing systems. Poughkeepsie is IBM's principal U.S. center for mainframe design and production, including the IBM Z platform, which supports the majority of the world's large-enterprise transaction workloads. The Poughkeepsie site is therefore a strategic, R&D-intensive, advanced-manufacturing operation in the information technology and advanced manufacturing sector.

G. Brief Description of Company History

IBM traces its origins to the 1880s through a series of pioneering companies focused on data recording, timekeeping, and tabulating technologies. In 1911, four of these firms were consolidated into the Computing-Tabulating-Recording Company, which adopted the name International Business Machines Corporation in 1924, signaling global ambitions that would define the company for the next century. IBM grew steadily through the mid-20th century, expanding its workforce, its product lines, and its geographic footprint. During World War II, IBM significantly expanded its manufacturing capacity across New York State — including at its Poughkeepsie facilities — to support the Allied war effort by producing munitions, bombsights, and military tabulating equipment.

Through the following decades, IBM continued to lead the industry with landmark technological innovations, including the development of the hard disk drive, DRAM, the floppy disk, the magnetic stripe card, the relational database model, SQL, the Universal Product Code (UPC), and the automated teller machine (ATM). IBM researchers have been recognized with five Nobel Prizes - in physics and superconductivity - as well as numerous Turing Awards and National Medals of Science and Technology. In 1997, IBM's Deep Blue defeated world chess champion Garry Kasparov, heralding a new era in artificial intelligence. In 2011, IBM's Watson system famously defeated reigning champions on *Jeopardy!*, demonstrating the commercial potential of machine learning at scale.

IBM's presence in Dutchess County is among the longest-running industrial relationships in the Hudson Valley. Since 1941, the Poughkeepsie campus has been a cornerstone of IBM's history – a place where wartime production, the company's first commercial electronic computer, mainframe computing, advanced defense technologies, and artificial intelligence research all took root. The Poughkeepsie campus became one of IBM's most strategically important locations: it was home to key research and development operations, and it was there that IBM researcher Arthur Samuel demonstrated one of the world's first practical examples of artificial intelligence in 1956, using the IBM 704 computer.

Most recently, in 2019, IBM opened the world's first IBM Quantum Computation Center at the Poughkeepsie campus. The site has since grown into one of the world's largest fleets of commercially available quantum systems, hosting more than 20 quantum computers that execute billions of quantum circuits per day. Today, with the proposed transformational investment, IBM is poised to write the next defining chapter of its story: one where Poughkeepsie once again stands at the center of the company's most advanced technologies.

Section 2 – Project Description & Details

SUPPLEMENTAL ATTACHMENT TO DCIDA APPLICATION

B. Project Location

Proposed Project & Purpose

The project is the development of IBM's next-generation Quantum Computing Facility (the "Project") at the Poughkeepsie campus. At completion, the Project will add a purpose-built, approximately 300,000-square-foot advanced research, manufacturing, and computational complex, together with associated fit-out, and site infrastructure capable of supporting IBM's development, integration, test, and delivery of fault-tolerant quantum-computing systems. IBM's headline capital investment is approximately $2.51 billion across the 2026–2035 program window — among the largest private-sector investments in Dutchess County's history.

Scope of work: (1) new construction of approximately 300,000 SF - *233,700 SF ground level (IQF), 45,000 SF mezzanine, 12,000 SF cryogenic plant, and generator building;* (2) site, civil, utility, power, water, and cooling infrastructure to support the quantum load; (3) purchase and installation of specialized fixed equipment — [redacted] (4) proprietary hardware; and (5) renovation of roughly 44,000 SF of Building 416 is anticipated as part of the project. The exact square footage and extent of renovation will evolve as the design process progresses.

Purpose: to deliver at Poughkeepsie the advanced research, engineering, integration, and advanced-manufacturing platform required for IBM's fault-tolerant quantum roadmap - keeping this nationally strategic capability onshore and positioning the Mid-Hudson Valley as the core of IBM Quantum.

Tenants / end users: IBM will be the sole owner-operator and end user of the completed facility; there will be no third-party tenants in the IQF building. End users of the systems developed and built at the Project are IBM's global enterprise, government, and research customers who may access/utilize the built and operational quantum machines.

"But-for" - Why DCIDA Assistance is Necessary

The Project is a globally competitive capital investment and its location in Dutchess County is not predetermined. IBM evaluates the siting, scope, and phasing of strategic capital programs of this magnitude against alternative locations taking into consideration the availability of state and local incentives, infrastructure, workforce support, and beneficial tax treatment. IBM has considered locating this Project in other U.S. states and countries, including jurisdictions that are actively competing for quantum and advanced-technology investment with substantial, purpose-built incentive packages. IBM's more than six decades of continuous operation in Poughkeepsie — and its successful, good-faith partnership with the DCIDA under the prior PILOT covering the campus — make Dutchess County a strong candidate and the applicant's preferred location. That legacy presence cannot, however, offset the materially higher unincentivized cost of constructing and equipping the Project here as compared with competing locations. The Project's capital intensity (approximately $2.51 billion across the build-out), long-duration construction timeline, and highly specialized equipment, cleanroom, cryogenic, power, and cooling requirements make the siting and sizing decision highly sensitive to the total landed cost of construction materials and fixed equipment, the post-completion real-property-tax trajectory, and IBM's ability to commit to a multi-year capital-deployment schedule with predictable economics.

The financial assistance requested from the DCIDA - a sales-and-use-tax exemption on eligible construction materials and fixed equipment, and a negotiated PILOT consistent with precedent for strategic advanced-manufacturing and advanced-technology projects in Dutchess County - is necessary to, and a determining factor in, the Project's economics and the decision to site the Project in Dutchess County. Given the Project's scale and the level of incentive support available in competing jurisdictions, IBM respectfully requests that the DCIDA extend the fullest measure of assistance available under its programs; the requested relief represents the level of support without which the Project, as currently scoped and phased, would be difficult to site in Dutchess County. Without that assistance, the applicant would be required to modify the scale, scope, phasing, and siting of the Project, including (i) reducing the square footage and advanced-manufacturing content constructed in Dutchess County; (ii) deferring specific capital categories beyond the current program window; and/or (iii) relocating portions of the Project to other states or counties.

Compatibility with Development Plans (local, county, state, federal)

Local — Town of Poughkeepsie: the IBM campus lies within the Town's established employment/industrial corridor and is used consistent with advanced-technology/industrial purposes; the Project reinforces the Town's long-standing support for continued industrial investment on the campus, among the Town's largest private employers and taxable-value contributors.

County — Dutchess County: the Project advances the County's economic-development priorities — retention and expansion of the advanced-industry/technology base, high-wage employment, growth of taxable value on improvements, and reinforcement of the County as a regional center for advanced computing and R&D — consistent with the County's Strategic Plan and Think Dutchess targeted industries (technology, advanced manufacturing, R&D).

State — New York: the Project aligns with New York's commitments to advanced manufacturing, semiconductor and quantum leadership, and Hudson Valley high-technology workforce investment, and with ESD's industry-focused programs.

Federal: the Project advances U.S. competitiveness in advanced computing and quantum information science, consistent with the CHIPS & Science Act, the National Quantum Initiative, and federal quantum programs; siting IBM's fault-tolerant quantum roadmap at Poughkeepsie keeps this capability onshore.

Energy-efficiency / sustainability features

The Project is being designed and will be operated consistent with IBM's published corporate environmental objectives, including IBM's goal to achieve net-zero operational greenhouse-gas emissions by 2030 and to procure 90% of its worldwide electricity from renewable sources by 2030. Project-specific energy-efficiency and sustainability features anticipated for the facility include:

- [redacted]
- [redacted]
- Adaptive reuse. The Project reuses the existing, fully-serviced IBM campus and its established power, water, and cooling infrastructure (including renovation of existing Building 416) rather than developing a greenfield site, avoiding the incremental environmental impact of new infrastructure.
- Clean/renewable power. IBM participates in the New York Power Authority ReCharge NY (Hydro Only) program at the Poughkeepsie campus, supporting use of low-carbon hydroelectric power, and continues to increase its procurement of renewable electricity in furtherance of its 2030 targets.

- Energy-conservation and cooling-efficiency programs. The campus is covered by IBM's ongoing energy-conservation program and its corporate goal to improve average data-center cooling efficiency, together with high-efficiency mechanical, electrical, and water-management systems specified for the new facility.

Known Environmental Contamination / Remediation Issues

Yes - The Project site is a historic industrial site and was previously admitted into various federal and State remedial action programs, including the State Superfund Program. IBM has implemented engineering controls to remediate historic environmental conditions in compliance with applicable environmental law. Additional information is available at: https://appfactory.dec.ny.gov/DERExternalSearch/ERDDetails?SiteCode=314001 and https://www.epa.gov/hwcorrectiveactioncleanups/hazardous-waste-cleanup-ibm-corporation-poughkeepsie-new-york.

SEQRA - Full Environmental Assessment Form, Part 1 *(attached separately)*

Section 3 – Project Evaluation & Framework

SUPPLEMENTAL ATTACHMENT TO DCIDA APPLICATION

C. Zoning of Project Site

3. Estimated Property Tax Abatement

IBM is proposing a real property tax exemption structure as follows:

- **Term:** 30-years
- **Exemption (%):** Full coverage (100%) of the five IBM Poughkeepsie campus parcels
- **Payments:** Fixed, annual PILOT payments determined by the methodology set out below.

Calculation of the Proposed PILOT Payment:

The proposed annual PILOT payment is derived as follows, using the valuation basis in Step 1, the published 2025/26 Dutchess County tax rates, and the SF modifier adjustment outlined in Section 1(e) of the 2011 Agreement. All figures are whole dollars; the combined rate is carried to six decimals.

Step 1 — Valuation Basis *(2025 final assessment roll, five parcels)*

Parcel	Address	2025 Assessed Value
134689-6060-04-840280	2455 South Rd	$71,504,200
134689-6060-02-820506	477–708 Innovation Way	$36,835,500
134689-6060-04-824101	29–31 Sand Dock Rd	$291,100
134689-6060-04-745089	Sand Dock Rd	$242,900
134689-6060-04-648240	98 Cliff House Ln	$359,000
Valuation basis		**$109,232,700**

Step 2 — Current Tax Rates (2025/26)

Taxing jurisdiction	Rate / $1,000 AV
County (Dutchess)	2.371722
Town Outside (Non-Homestead)	8.807729
Arlington Fire District	6.477347
Consolidated Lighting District	0.303962
Poughkeepsie Library District	1.742501
Spackenkill UFSD (School)	49.431000
Combined rate	**69.134261**

Step 3 — Payment based on the Established Basis and Current Taxes

$109,232,700 × 69.134261 ÷ 1,000 = **$7,551,722 / yr.**

Step 4 — SF Modifier Adjustment (from Section 1(e) of 2011 Agreement).

Square-footage modifier — from 2011 PILOT §1(e)	Value
Base campus square footage	3,500,000 SF
Demolition — "Removed Facilities" (2 buildings)	−169,050 SF
New construction — "Additional Facilities"	+309,140 SF
Net cumulative SF change	**+140,090 SF**
Modifier factor (net SF ÷ 3,500,000)	+4.0026%
Current assessed value (Part A)	$109,232,700
AV gross-up ($109,232,700 × 4.0026%)	+$4,372,117
PROPERTY VALUE AFTER COMPLETION	**$113,604,817**

Step 5 — Proposed Annual PILOT Payment, upon Project Completion

$113,604,817 × 69.134261 ÷ 1,000 = **$7,853,985 / yr**

**adjusted thereafter only for further new construction or demolition under Section 1(e) of the 2011 PILOT.*

Taxing jurisdiction	Annual PILOT payments
County (Dutchess)	$269,439
Town Outside (Non-Homestead)	$1,000,600
Arlington Fire District	$735,858
Consolidated Lighting District	$34,532
Poughkeepsie Library District	$197,957
Spackenkill UFSD (School)	$5,615,600
Proposed Annual PILOT	**$7,853,985**

Justification

— **Supported local precedent.** The proposed payment formula is built on an established, transparent, and adopted architecture that the County, Town, school district, and special districts have previously applied (2011 PILOT Agreement), which limits valuation disputes, keeps administration transparent and straightforward, and provides all parties long-term certainty while offering flexibility and predictability for future adjustments.

— **Proportionate to Project scale and scope.** A proposed redevelopment and investment opportunity of this scale and duration calls for a stable, long-term agreement rather than a short-term schedule based on uncertain, future variables.

— **Predictability.** The taxing jurisdictions receive a fixed, known payment for the full term, with built-in increases as the campus is developed. Additionally, the structure provides long-term certainty to IBM on future contemplated projects (new construction, expansion, etc).

— **Transparent and administrable.** The assessed-value basis is on the public roll and the methodology is already familiar locally, minimizing dispute and administrative cost.

D. Employment

I. Current & Retained Employment:

IBM Poughkeepsie Headcount
As of June 24, 2026

Employment Type	Traditional Office	Traditional Non-Office	Home Office	Mobile	Total
Regular Full-Time	2095	79	165	26	2365
Regular Part-Time	29		2		31
Non-Regular (Long Term)	40	1	2		43
Non-Regular (Short Term)	28	10	1		39
Non-Regular (Student)	316	10	2		328
Total	**2508**	**100**	**172**	**26**	**2806**

Employment Type	Employee Count	FTE	Full Year Working Hours (Estimate)
Regular Full-Time	2365	2365	4,919,200
Regular Part-Time	31	20.2	42,016
Non Regular (Long Term)	43	43	89,440
Non Regular (Short Term)	39	29.3	60,944
Non Regular (Student)	328	322.8	671,424
Total	**2806**	**2780.3**	**5,783,024**

*Assumes full time is 2080 hours annually

Job Category	Current Headcount	Current FTEs	Average Salary	Salary Range
Executive	54	54	[redacted]	[redacted]
Professional	1971	1961		
Management	192	192		
Administrative	3	3		
Production	219	218		
Other	-	-		
Total	2439	2428		

* Salary data excludes Students/Interns (328) and Short-term Supplementals (39)

II. Job Creation Estimates:

IBM Quantum Facility

Job Title / Category	Number of FTE's to be Created						Average Salary or Range of Salary (new FTEs)
	Year 1 (2026)	Year 2 (2027)	Year 3 (2028)	Year 4 (2029)	Year 5 (2030)	5 Year Total	
Manufacturing Technician (HS)	-	-	4	23	36	63	[redacted]
Manufacturing Technician (Tech Cert)	-	-	4	12	20	36	
Manufacturing Professional (BS)	-	3	15	5	5	28	
Manufacturing Professional (Advanced Degree)	-	4	5	2	2	13	
Hardware Development & Support	-	-	-	-	-	-	
TOTAL	0	7	28	42	63	140	