

COUNTIES OF WARREN AND WASHINGTON
INDUSTRIAL DEVELOPMENT AGENCY

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The July Executive Park Meeting for Warren Washington Industrial Development Agency was held on Wednesday, August 5th, 2020 at 68 Warren Street in Glens Falls and also via Zoom from 9:10-10:43 am. The following were:

PRESENT:	Dave O'Brien	Chairman
	Craig Leggett	Vice Chair
	Michael Bittel	Secretary/Treasurer
	Brian Campbell	Park Chair

ABSENT:	Mike Wild	At-Large Member
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The following were also present:

Kara Lais, Esq.	FitzGerald Morris Baker Firth, PC
Jack Kelley	Coldwell Banker Commercial
Nick Caimano	Member
Tom Jarrett	Jarrett Engineers
Laura Oswald	Director of Economic Development
Eric Millard	CS Energy
Dana Hogan	Supervisor of Kingsbury
Dan Bruno	Supervisor of Ward 4
Don Ward	Supervisor of Greenwich
James Griffith	Supervisor of White Creek
Matt Simpson	Supervisor of Horicon
Marc Weatherhill	Boralex
Colleen Adamec	Greenwich Assessor
Sandy Mathes	Mathes Public Affairs
Minutes were taken by: Alie Weaver	Office Administrator

Roll call was taken, and a quorum was confirmed.

Park - Potential Project Updates:

NCES - Mr. O'Brien stated North Country Ecological Services sent a revised proposal to delineate all of the lots for \$3,000.

Mr. Bittel made a motion to approve the revised proposal and Mr. Leggett seconded. All voted in favor by roll call vote.

Nolan Propane - Ms. Lais stated that she received a letter from Nolan Propane's counsel listing some proposed amendments to the contract. Although most of them were standard, one is Nolan Propane asking for 10-14 months to receive approvals vs. the 60-day window in the current contract. Another is the right of reversion; stating the IDA has the right to take the property back should the project not be commenced or completed within a certain timeframe and Nolan Propane would like to have that removed from the deed but would agree

to that contractually.

Mr. Jarrett suggested that Nolan Propane submit a proposed schedule.

Mr. Bittel suggested that the IDA not make changes to the right of reversion.

Mr. O'Brien suggested adding an amendment for extension of timeframe should that come up.

Mr. O'Brien stated any changes would need to be discussed and approved at the August full Board meeting.

IDA Executive Committee:

Mr. Doud and Mr. Millard presented a Solar Project PowerPoint of asset valuation review; touching base on assessment methodologies, actual individual project economics, full assessment vs. 25-year PILOT, payment options and Article 7.

Questions and Comments:

Mr. Kelley asked if a PILOT isn't granted, would the solar project still occur.

Mr. Doud answered that it's highly unlikely these projects would occur if a PILOT was not in place.

Mr. O'Brien asked if current court cases may alter the Real Property Tax Law in which solar companies currently consider solar panels, racking and inverters as personal property.

Mr. Doud answered that there have been court cases for the past twenty years for that specific law and stated that if personal property isn't included in the assessment, the full assessment leaves no room for revenue to pay the taxes.

Mr. Kelley asked how other current PILOTs are being assessed.

Mr. Doud answered that every PILOT agreement differs and gave examples of using NYSERDA's guidance, third party assessors, discounted cash flow and construction assessments.

Mr. Caimano asked what would happen if these legal cases rule against their solar projects.

Mr. Doud answered that if a common assessment, PILOT, or host community agreement can't be reached the project couldn't happen.

Mr. Bittel asked if a host benefit package is equal to the amount of subsidies that are coming in to support this program.

Mr. Doud answered that the benefit to the host community would far outweigh the incentive received from NYSERDA. He also stated that the systems benefit charge will be paid regardless of solar projects but noting the SBC charge is hundredths of a cent.

Mr. Jarrett asked if the numbers being presented are 2020 dollars.

Mr. Doud answered that the revenue is over 25 years, so no.

Mr. Kelley asked where the federal solar tax credits figure into their numbers.

Mr. Doud answered that there's 26% tax credit from the development costs and the financing bank takes the tax credit.

Mr. Hogan asked if a local community chooses to remain opted in, may they negotiate PILOTS to provide certainty in relation to evaluations of Kilowatts produced vs. assessments.

Mr. Doud agreed that's possible but clarified evaluations of Megawatts produced. By using Kingsbury as an example, he explained that although the Town opted in, the county and school did not and the assessment would still be needed for those numbers, noting school taxes are 75% of the burden.

Mr. Hogan suggested getting the county boards and school boards involved in these discussions.

Mr. O'Brien stated the county, town and school have the capability of granting a 15-year PILOT where the IDA can grant a 25-year PILOT, which is what solar companies are seeking.

Mr. Hogan noted that a 25-year PILOT would be considered an enhance abatement and would require local municipality approval.

Mr. Campbell asked for clarification on Mr. Doud's statement regarding losing a case in court would render them unable to build their solar project but questioned why they would be in court if the solar project hadn't been built yet.

Mr. Doud explained that their personal property would be removed, and the project would be decommissioned.

Mr. O'Brien asked if the host community benefit shifts the money from PILOT to the local community and what's the mechanism to make sure it goes to county, town, school and village.

Mr. Doud explained a small PILOT could be done with the IDA to cover the tax aspect and a host community agreement could be done with each individual municipality.

Ms. Oswald asked if Mr. Doud could explain his statement of "host community benefit avoids the tax cap".

Mr. O'Brien explained that when you calculate your tax levy, the PILOT payments go into calculating the tax levy however a host community benefit would not be included in the calculation so there would be more room in the tax cap. However, if the states see that as a revenue source, they could change that at any time.

Mr. Hogan asked Mr. Doud to explain the math behind his 15-year revenue.

Mr. Doud explained that his estimates were based on 18 managers with annual wages of \$60,000 and 80 support people with wages of \$15.00 an hour.

Ms. Adamec commented that Cornell University is a land grant for New York State and under Real Property Tax Law 487, it is permanently exempt, which was added to the law as of last year.

Mr. Hogan stated that it's important to distinguish that Market 32 is on a brownfield site, which is now considered a prioritized project as part of the Accelerated Renewable Growth Act; whereas the sites in Mr. Doud's presentation are not proposed to be on brownfield, landfills, or abandoned land.

Mr. Doud explained that the Act doesn't prioritize the brownfield sites over regular sites; the Act talks about the overall goal of 6 Gigawatts of solar, but it does incentivize brownfield development, specifically landfills.

Ms. Oswald stated that the prioritization of brownfields comes from NYSERDA and their site location program, they are basically charged with identifying brownfields and get them shovel ready for solar development. They

are one of the three or four comprised agencies that are putting the Acts together but the actual brownfield piece of it is NYSERDA's charge for their prioritization for site location for development.

Mr. Campbell asked who is employed at the solar sites after construction is complete.

Mr. Doud answered that no one is employed at the solar site after construction.

Mr. Bittel stated that he was not prepared to vote or consider changes to the IDA policy at this time.

Mr. Campbell stated that if the government wasn't involved, this would not be a viable business. He asked why the IDA would ever entertain a 25-year PILOT for jobs that are all done in construction and none of those continue later on when the IDA doesn't even do that for viable manufacturing businesses. He also asked why the IDA would put farmland at risk in an agricultural county for something that isn't going to help agriculture. He stated that local rules are where this decision belongs.

Mr. O'Brien stated that he's on record for saying that he does not want to do anything that is opposed to the direction that the towns want to take and they should be a part of discussion and the IDA would need a town approval in place prior to accepting an application.

Approval of July 8th, 2020 Minutes for the WWIDA Executive Park: Mr. Bittel made a motion to approve the July Executive Park meeting minutes and Mr. Campbell seconded. All voted in favor by voice vote.

Move August Board Meeting to the 18th: Mr. O'Brien stated that Ms. Lais would not be available for the August 17th Board Meeting and since counsel is requested to attend, he suggested moving the meeting to the 18th. Mr. Campbell made a motion to move the meeting and Mr. Bittel seconded. All voted in favor by voice vote.

Recapture Updates: Ms. Lais stated that Firetek is done. Patti Company/Morris Products – still waiting on the transmittal confirmation to Taxation and Finance that is supposed to go out this week. LG Plaza – submitted amended ST 340's, also waiting on transmittal confirmation of this. She further explained that they took an exemption on part of the building construction that Price Chopper built but Price Chopper built the building and then LG Plaza bought the building from them.

Dewatering Road Purchase Update: Mr. O'Brien stated that they will be going back to the subdivision board on Wednesday in hopes of getting the subdivision complete.

Adjournment: There being no further business, Mr. O'Brien adjourned the August Executive Park IDA meeting.