

**COUNTIES OF WARREN AND WASHINGTON
INDUSTRIAL DEVELOPMENT AGENCY**

5 Warren Street, Suite 210
Glens Falls, New York 12801

Tel. (518) 792-1312

A special Board meeting of the Counties of Warren and Washington Industrial Development Agency was held on Monday, June 29th, 2020 at the Washington County Municipal Center and via Zoom from 4:00-5:40 p.m. The following were:

PRESENT:	Dave O'Brien	Chairman
	Brian Campbell	Park Chair
	Michael Bittel	Secretary/Treasurer
	Ginny Sullivan	Member
	Nick Caimano	Member
	Dan Bruno	Member
	Lester Losaw	CEO/CFO

ABSENT:	Craig Leggett	Vice Chairman
	Mike Wild	Member
	Bruce Ferguson	Member

The following were also present:

Kara Lais, Esq.	FitzGerald Morris Baker Firth, PC
Michael Doud	Matrix
Jack Kelley	Caldwell Banker Commercial
Laura Chadwick	Washington County Director of Real Property Tax
Al Nolette	Washington County Treasurer
Donald Ward	Greenwich Supervisor
Sandy Mathes	Mathes Public Affairs
Chris DeBolt	Washington County Administrator
Christopher Mallon	Putnam Town Counsel
Dana Hogan	Kingsbury Supervisor
James Griffith	White Creek Supervisor
Dennis Dickinson	Lake George Supervisor
Laura Oswald	Washington County EDC
Darrell Wilson	Putnam Supervisor
Roger Wickes	Washington County Attorney
Joe Scott	Attorney for Mathes Public Affairs
Travis Whitehead	Warren County Resident
Minutes were taken by: Alie Weaver	Office Administrator

Mr. O'Brien stated there has been growing interest in Warren and Washington counties for solar projects and the purpose of this meeting is to exchange information and concerns regarding such. He introduced Mr. Doud from Matrix Solar Development.

Mr. Doud presented a PowerPoint to help explain who they are, their current local projects, why a solar company would be looking for a PILOT and how they can help the local communities.

During question and comments:

Mr. Caimano asked if it was legal for the IDA to borrow money from a private company to support IDA activities to fund businesses that are going to bring jobs to the counties.

Mr. Doud explained money would not be borrowed; solar companies would allot part of their tax revenue to IDA-funded activities and referred to their attorney Mr. Joe Scott for further legal advice, should it be desired.

Mr. O'Brien asked if the IDA could offer a PILOT when a county/school/town has opted out.

Mr. Doud explained yes, it's within the IDA's authority to do so, with some caveats.

Ms. Lais explained that the IDA would have to amend their current tax abatement policy to allow solar projects and also address the amendment with the municipalities.

Mr. Scott explained that having the municipalities as an opt out is an issue of the IDA's policy, not an issue of NYS law.

Mr. Campbell asked if the 10% electricity savings is in addition to or instead of the 18% municipal discount he is already receiving.

Mr. Doud explained that 18% discounts in the energy industry are almost unheard of and would like to compare the savings with Mr. Campbell at a later time. He went on to explain the 10% discount he is referring to relates to a credit regardless of the energy supplier of choice.

Mr. Campbell asked what the multiplier was based on.

Mr. Doud explained the multiplier was based on everything the contractors would spend in the area while the solar project was under way.

Mr. Campbell asked if the multiplier factor all goes away once the project is complete.

Mr. Doud explained a majority would go away however there would still be active management of new subscribers and operational activity going on throughout the project's term.

Mr. Campbell expressed concern over the 2% escalator not being enough.

Mr. Doud explained the 2% can be the starting point of inflation data conversations as all solar PILOT agreements are not the same.

Mr. O'Brien expressed concern over the loss of agriculture exemption on the land leased for solar projects as well as depreciation of the solar project over the course of twenty-five years.

Mr. Doud explained the land would be leased so the land taxation would be separate from the PILOT although most of the agriculture exemption would probably go away. He also noted they are looking at utilizing grazing activities to possibly continue the agriculture exemption.

Mr. Nolette stated in the age of the tax cap, the proposed 15 million in revenue that the solar projects could bring to the counties is not an additional 15 million; it is a reduction in taxes to the already existing tax base.

Mr. Nolette stated he is really interested in the bucket of money program that has been done in other places as part of the PILOT that doesn't flow through taxes and would love to see that agreement.

Mr. Nolette stated that much of the multiplier factor would benefit Warren county for any solar projects constructed in Washington County.

Ms. Oswald asked if the net discount to residents who sign up for solar is the 10% they are referring to.

Mr. Doud explained by giving an example of National Grid giving them a 10-cent credit for the energy created from their solar panels. The solar company then passes on a 9-cent credit to the solar residents.

Ms. Oswald noted in her opinion the solar IDA PILOT discussions will need to continue, referring to the recently passed Renewable Energy, Growth and Community Benefit Act, which takes the ability to control large-scale solar projects out of the hands of the local municipalities and puts all of the permitting and regulations into the hands of a new office that's under the oversight of the department's state. This new office can bypass all of the permitting, regulations and SEQR but does not have the ability to award PILOTS, where the IDA would have 60 days to decide on a PILOT.

Mr. Doud stated three of the large-scale projects that he's currently representing have already been permitted. He noted the 60-day notification is specifically around taxing jurisdictions under the RPTL 487 legislation.

Mr. Hogan asked if there were numbers available between having a PILOT and not having a PILOT for the Kingsbury project.

Mr. Doud stated that any numbers he currently has for that project are conjecture until the Kingsbury town assessor provides assessment of the property.

Mr. Hogan asked what Mr. Doud thought the numbers should be.

Mr. Doud stated that based on the current NYSEDA incentive, a National Grid project should value around \$600,000 per Megawatt AC.

Mr. Whitehead stated the bulk of renewable energy in this area is hydroelectric, of which these companies are some of the largest tax payers in both Warren and Washington counties.

Mr. Whitehead stated it was his understanding the purpose of the IDA is to create jobs for this area, acknowledging the short-lived benefit of construction, but questioning whether those workers would be local.

Mr. Whitehead noted anyone can currently participate in community solar and receive the 10% discount without having to build a local array.

Ms. Chadwick stated there five counties that currently have some solar PILOTS with the norm being \$5,000 per megawatt with a 2% escalator for 15 years. She asked how far out do these solar projects go out into the community, noting parts of Washington county is NYSEG and not National Grid.

Mr. Doud stated they would not be able to serve the sliver of Washington county that NYSEG serves.

Mr. Doud also addressed Mr. Whitehead's comment by saying there are subscribers being signed up for systems that haven't been built yet and what might be available currently is not guaranteed to be always be available.

Ms. Chadwick noted that the assessors reclassify farm land from being Agriculture to Commercial once it is leased for solar projects.

Mr. Kelley stated that he doesn't look at solar PILOTs as an incentive but more as a partnership between the government and private sector and it shouldn't be assumed that these projects are going to come around regardless of incentive.

Mr. Nolette asked what happens after the twenty-five-year PILOT is over.

Mr. Doud stated the panels are warranted for twenty-five years at 85% production and are anticipated to operate 30 to 40 years all together, noting that retrofitting the system with newer panels and upgrading has become standard.

Mr. Kelley noted sheep grazing in some areas has become a compliment to maintaining the solar projects' grass fields.

Mr. Doud stated the project will consist of 3 to 5 years of construction, noting BOCES students learning electrical or construction could benefit.

Mr. Bittel mentioned looking forward to continued discussions to outline the community benefits.

Other

Mr. O'Brien stated the July Executive Park meeting will be moved from Wednesday July 1st to Wednesday July 8th.

Mr. O'Brien stated an insurance quote was received for the new property, which was for \$3,000. Mr. Caimano made a motion to accept this quote and Mr. Bruno seconded. All voted in favor by voice vote.

Adjournment

There being no further business to discuss, Mr. O'Brien adjourned the meeting.

Large Scale and Community Solar PILOT Agreements

Building a Cleaner Future

Community Benefit Package Proposal for WWIDA

6/15/2020

SAFETY | QUALITY | PROJECT CERTAINTY

Topics

WHO WE ARE AT A GLANCE
SOLAR ENERGY IN NEW YORK
COMMUNITY BENEFIT PACKAGE PROPOSAL
NEXT STEPS AND Q&A

Who we are at a glance

- Consortium of leading solar developers and contractors
- Eight projects representing **115MW** of solar power in Washington County
- Seeking **25-yr PILOT** agreements to provide tax certainty, not tax breaks
- Projects will generate **\$14.9M** of tax revenues over 25 years
- Projects will provide **\$13.3M** of electricity savings to the region over 25 years, with subscriptions offered first to Washington County businesses, governments, and residences
- Projects will drive **\$20M** of construction labor investment into the region
- We have been proactively engaged with local communities for several years, and projects enjoy support from local communities – the majority have already received local planning board approvals

BORALEX



EDEN
RENEWABLES



MATRIX

MATRIX SOLAR DEVELOPMENT, LLC



Building a Cleaner Future

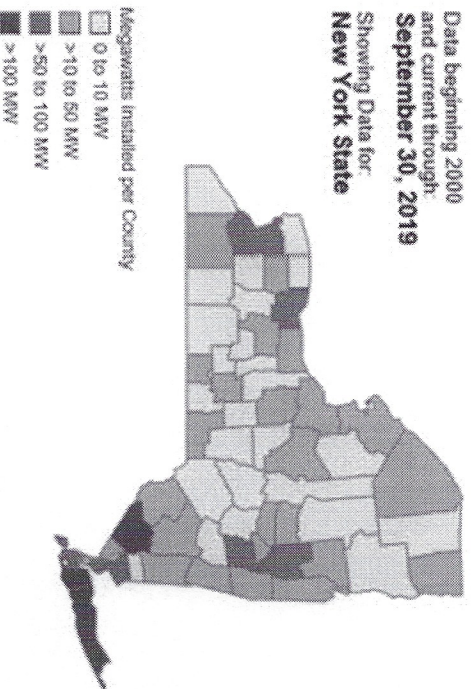


SOLAR ENERGY IN NEW YORK STATE

Solar Energy in NY State

NY Clean Energy Standard

Data beginning 2000
and current through
September 30, 2019
Showing Data for
New York State



Total Capacity (MW DC)
2,014 MW

Number of Projects
127,395

Data Sources: NYS DPS, NYISO. Click icon for more info

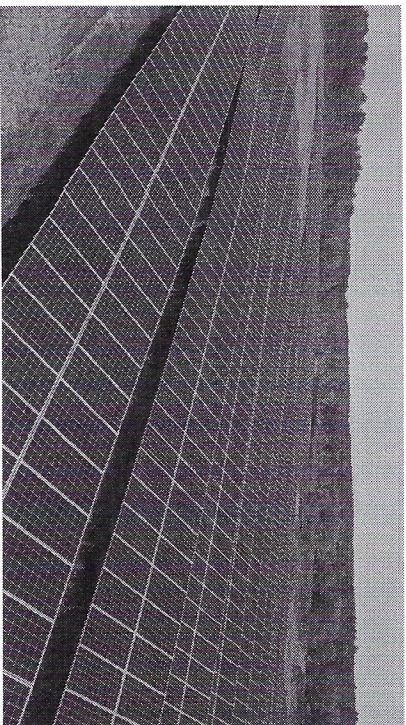
70% Renewable
energy by
2030



NYSERDA

Considerable growth potential in Warren/Washington Counties
~50 MW's installed to date

Two Types of Solar Projects

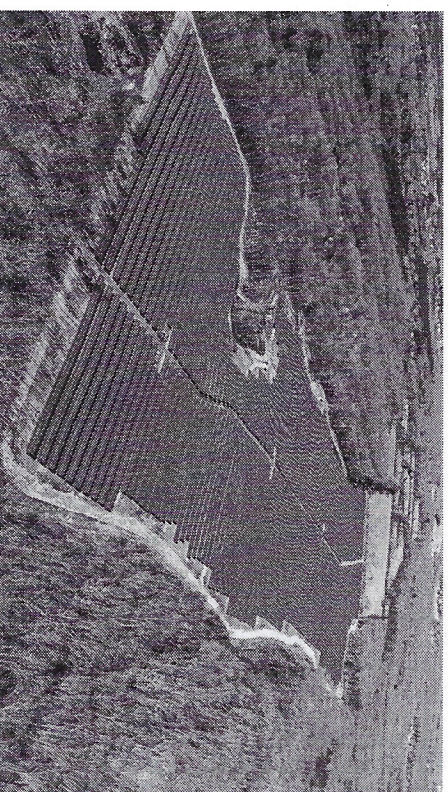


Community Solar - Retail

- 20-40 acre sites
- 5MW size limit
- Retail electricity credits for residential, small businesses, and municipalities
- First project completed in 2016

Large Scale/Utility - Wholesale

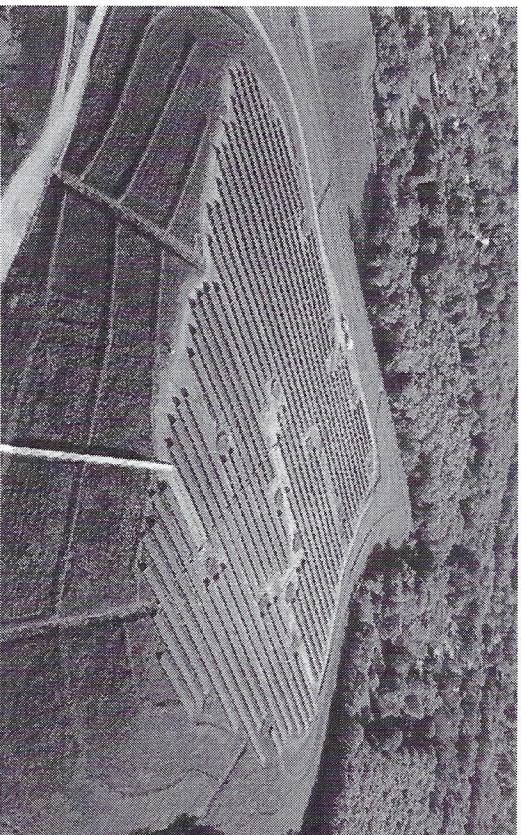
- Larger sites – 100 acres and up
- 20 – 200MW individual system sizes
- Wholesale electricity (~ 50% lower than retail)
- First projects in NY will start in 2020



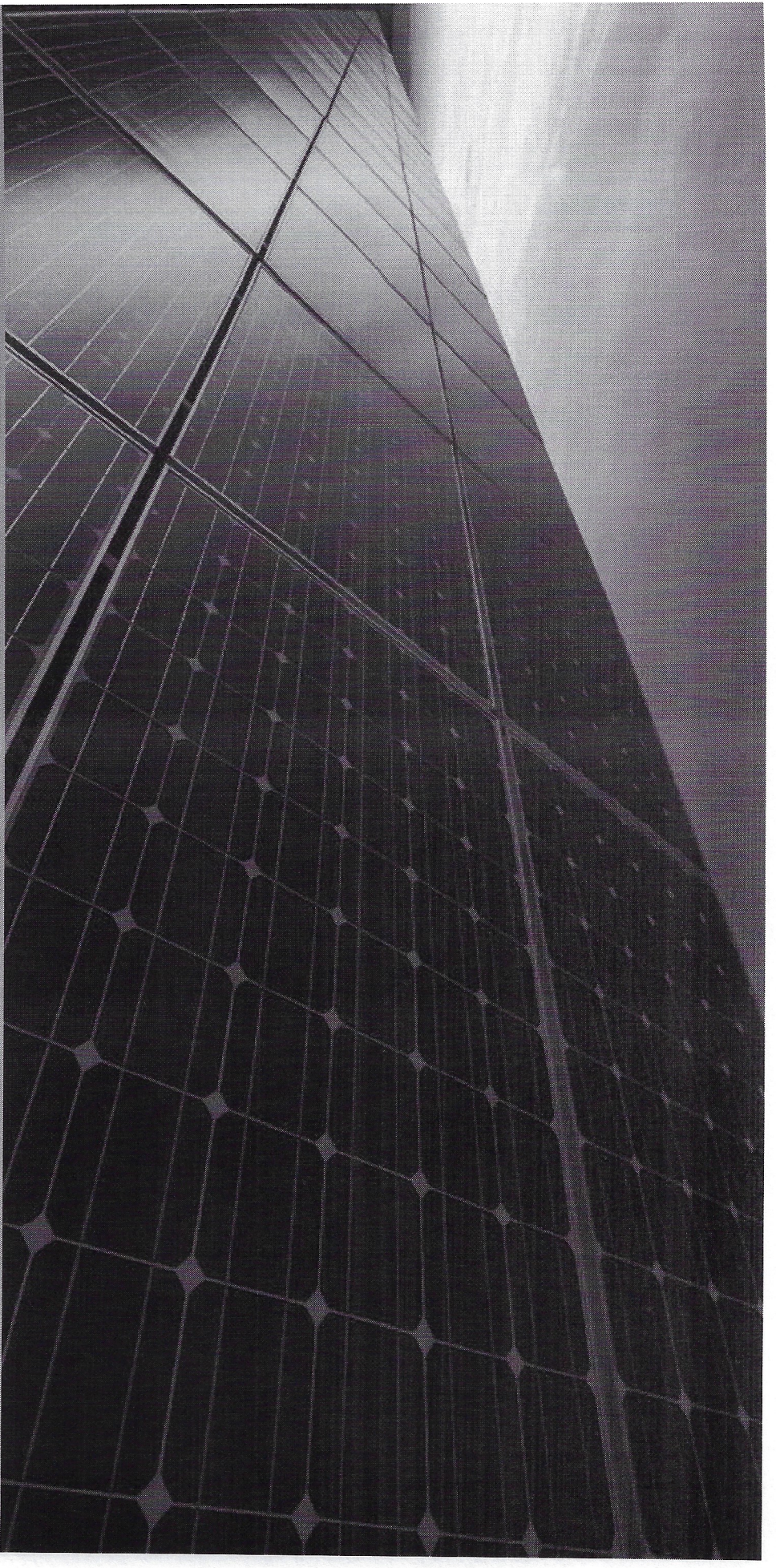
Benefits of Solar

Economic Benefits

- Significant source of tax revenue and improvements to tax base
- Upfront IDA fees to support new shovel ready or infrastructure investments
- Construction investment provides stimulus to local economy



Clean Energy jobs growing 2 times faster than NY's average, representing an opportunity for regional workforce to get training and experience in 21st century jobs, including potential educational and internship opportunities



COMPANY AND PROJECT HIGHLIGHTS

Washington County – Solar Development

Large Scale/Utility – Wholesale

\$2,500/MW Proposed

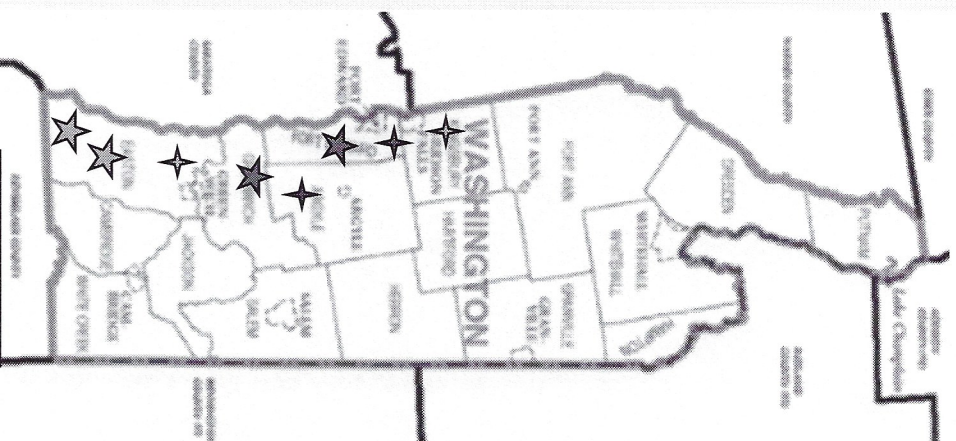


- *Branscomb Solar*
 - 20 MW, Easton
- *Darby Solar*
 - 20 MW, Easton
- Dolan Solar
 - 20+ MW Ft Edward

BORALEX

- Bald Mountain Solar
 - 20 MW, Greenwich

- A 20 MW site occupies 100-150 acres, and may operate for 30+ years



Community Solar – Retail

\$4,000/MW Proposed



- Kingsbury Solar – 3 x 5 MW



- Argyle Solar – 2 x 5 MW

Borrego Solar

- Easton Solar – 1 x 5 MW

Community Power Group

- Ft Edward Solar - 1 x 5 MW

- A 5 MW site occupies 25-40 acres, and supports ~100 subscribers



COMMUNITY BENEFIT PACKAGE DETAILS

Community Benefits Package Details

Locally approved shovel-ready project investments in Washington County

- **IDA Backed Development Program Potential**
 - Baseline IDA fees of approximately \$650k
 - Portfolio can support bond financing for near-term needs
 - IDA framework can attract additional solar industry investment over time
 - IDA fees support infrastructure investment or shovel-ready projects
- **Community Revenue Opportunity**
 - \$14.9 million in Host Community or PILOT, and Special District Tax payments proposed over 25 years
 - Tax base increase for new project installations
 - Community Solar subscriptions offer immediate 10% utility bill savings to consumers, small businesses and municipalities
 - Potential advanced payment for immediate IDA or community needs
- **Near Term Regional Stimulus**
 - 115MW's of Solar Projects under development in Washington County
 - 50% shovel ready for late 2020
 - Mobilization of approximately 400,000 labor-hours to Washington County over

next 2-4 years

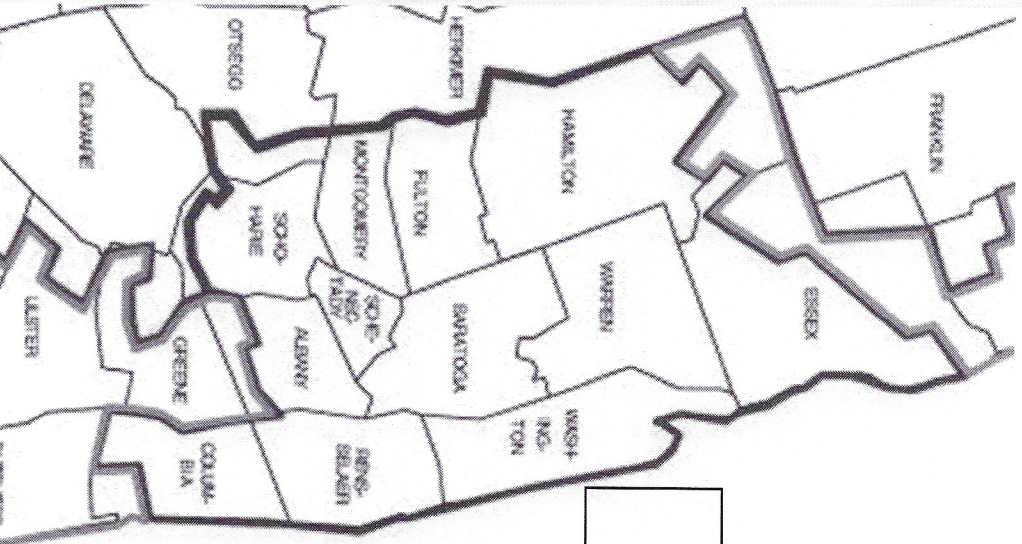
Comparable IDA PILOTS for Solar Projects – Capital Region

Large Scale/Utility – Wholesale

\$2,500/MW per year proposed in

Washington County

- Mechanicville-Stillwater IDA
 - Stillwater Solar – 20 MW
 - ***\$1,700/MW***
- Montgomery County IDA
 - Mohawk Solar – ***90 MW***
 - \$3,315/MW
 - Economies of scale enable higher PILOT payment
- CS Energy has finalized PILOT's with the Chenango and Cortland County IDA's, both at ***~\$2,000/MW***



Community Solar – Retail

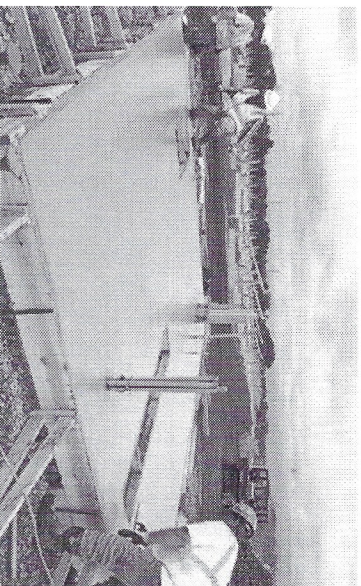
\$4,000/MW per year proposed in

Washington County

- NYSERDA recommends PILOT's between \$1,700/MW and \$5,100/MW in National Grid territory
- Trend of PILOT values reducing over time as market becomes more competitive
- 2019 – Clifton Park - \$4,200/MW
- 2019 – Schodack – \$4,500/MW

Proposed PILOT Payments to Washington County are comparable or better than for other projects locally in New York – A fair deal for projects and communities

Total Tax Proposal – Benefits



Benefits to Jurisdiction

- Revenue/Budget certainty
- Tax Base Improvement
- Flexibility in payment schedules/methods tailored to individual jurisdiction requirements – helps with tax cap concerns

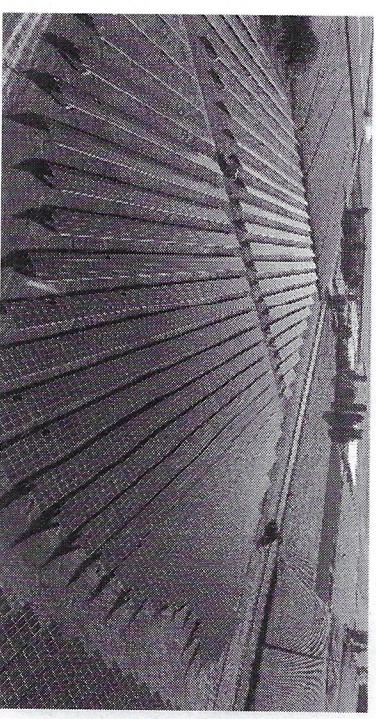
Benefits to Solar Project Developer

- Long-term operating cost certainty – *necessary* for financing
- Reputation – we want to provide real and lasting benefits to the communities in which we work



Benefits to Region

- Near term economic stimulus
- IDA fees support additional infrastructure and project investments
- IDA framework combined with local experience can attract additional investment





Next Steps

- Continued dialogue, information sharing, and responses to questions
- Initiate IDA applications for each project separately with goal to provide for IDA review in 2-3 weeks

Questions?