

RESOLUTION

A regular meeting of the County of Sullivan Industrial Development Agency (“Agency”) was convened on September 14, 2020, at 11:00 a.m. local time, via teleconference as authorized by New York Governor Andrew Cuomo’s Executive Order No. 202.60.

The meeting was called to order by Chairman Ira Steingart, and, upon roll being called, the following members of the Agency were:

	<u>PRESENT</u>	<u>ABSENT</u>
Ira Steingart	[√]	[]
Suzanne Loughlin	[√]	[]
Edward T. Sykes	[√]	[]
Howard Siegel	[√]	[]
Scott Smith	[√]	[]
Paul Guenther	[√]	[]
Joseph Perrello	[√]	[]
Carol Roig	[√]	[]

The following persons were also present:

- Jennifer M. Flad, Executive Director
- Julio Garaicoechea, Project Manager
- Deborah Nola, Accounting and Financial Analyst
- Walter F. Garigliano, Agency General Counsel

The following resolution was duly offered by Carol Roig, and seconded by Paul Guenther, to wit:

Resolution No. 45 - 20

***RESOLUTION AMENDING THE COMMUNITY DISTRIBUTED
GENERATION UNIFORM TAX EXEMPTION POLICY***

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York (“State”), as amended, and Chapter 560 of the Laws of 1970 of the State, as amended and codified as Section 960 of the General Municipal Law (collectively, the “Act”), the Agency was created with the authority and power to own, lease and sell property as authorized by the Act; and

WHEREAS, on December 12, 2016, the Agency adopted the Community Distributed Generation Uniform Tax Exemption Policy (“Solar UTEP”); and

WHEREAS, the Solar UTEP contemplated a project pay the greater of a fixed PILOT amount or a variable formula PILOT amount based on the project’s revenue; and

WHEREAS, changes in the New York State Energy and Research Development Authority (“NYSERDA”) programs providing financial incentives to Community Solar developers have materially changed, making the variable formula PILOT computation potentially unfair and difficult to compute; and

WHEREAS, the Agency desires to amend its Solar UTEP.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AGENCY AS FOLLOWS:

- Section 1. The Agency hereby amends its Solar UTEP (i) to allow for the fixed PILOT payment obligation to be modified as project economics are impacted by the changing NYSERDA regulatory scheme and incentive structure and (ii) to eliminate the variable formula PILOT payment calculation method as more particularly described in the summary attached.
- Section 2. All projects that have previously entered into Payment in Lieu of Taxation Agreements (“PILOT Agreement”) with the Agency for a project closed prior to the date of this resolution be afforded the opportunity to amend the PILOT Agreement to eliminate the variable formula PILOT payment calculation method.
- Section 3. The Executive Director of the Agency is hereby directed to send a copy of this resolution and the Amended Solar UTEP to all project owners that executed a PILOT Agreement prior to the date of this resolution.
- Section 4. This resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to a vote on roll call, which resulted as follows:

Ira Steingart	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Suzanne Loughlin	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Edward T. Sykes	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Howard Siegel	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Scott Smith	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Paul Guenther	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Joseph Perrello	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Carol Roig	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

and therefore, the resolution was declared duly adopted

STATE OF NEW YORK :
:SS.:
COUNTY OF SULLIVAN :

I, the undersigned Secretary (or Assistant) of the Agency DO HEREBY CERTIFY THAT:

1. I have compared the foregoing copy of a resolution of the Agency with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.
2. Such resolution was passed at a meeting of the Agency duly convened via teleconference on September 14, 2020 at 11:00 a.m. at which the following members were present:

	<u>PRESENT</u>	<u>ABSENT</u>
Ira Steingart	[<input checked="" type="checkbox"/>]	[]
Suzanne Loughlin	[<input checked="" type="checkbox"/>]	[]
Edward T. Sykes	[<input checked="" type="checkbox"/>]	[]
Howard Siegel	[<input checked="" type="checkbox"/>]	[]
Scott Smith	[<input checked="" type="checkbox"/>]	[]
Paul Guenther	[<input checked="" type="checkbox"/>]	[]
Joseph Perrello	[<input checked="" type="checkbox"/>]	[]
Carol Roig	[<input checked="" type="checkbox"/>]	[]

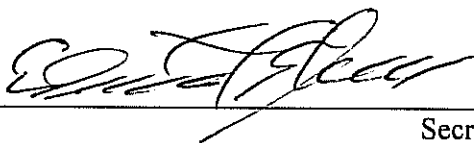
3. The question of the adoption of the foregoing resolution was duly put to a vote on roll call which resulted as follows:

Ira Steingart	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Suzanne Loughlin	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Edward T. Sykes	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Howard Siegel	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Scott Smith	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Paul Guenther	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Joseph Perrello	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Carol Roig	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain

and therefore, the resolution was declared duly adopted.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to Sections 103(a) and (c) and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public via videoconferencing and public notice of the time and place of said meeting was duly given in accordance with such Sections 103(a) and (c) and 104, (iii) the meeting in all respects was duly held via teleconference as authorized by New York Governor Andrew Cuomo's Executive Order No. 202.60, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the 14th day of September, 2020.


Secretary

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY

SUMMARY OF COMMUNITY DISTRIBUTED GENERATION PROJECT UNIFORM TAX EXEMPTION POLICY— PROPOSED AMENDMENTS 2020

Purposes of the Policy:

To support New York State's "Reforming the Energy Vision" Initiative, which is intended to encourage renewable energy development that will spur economic growth and develop new energy business models.

To bring community distributed generation projects to Sullivan County, where existing low electricity rates would otherwise inhibit investment in solar installations.

To administer a single County-wide uniform tax exempt policy, allowing municipalities to collect long-term predictable PILOT monies without the burden of developing and administering PILOT agreements at the local government or school district level.

To respect variations in local policy by requiring that each project application includes a letter affirming that the host municipality supports the project.

To foster the development of residential and small business on-site solar energy systems, which are not eligible for IDA benefits, by requiring that 1) towns recommending projects to the IDA also participate in New York State's Real Property Tax Law (RPTL) Section 487 program; and 2) school districts within which projects are proposed also participate in the RPTL Section 487 program.

To assist project developers by offering a single County-wide uniform tax exempt policy, eliminating the need to negotiate PILOTs with the County and the various towns, villages, and school districts.

To enhance developers' prospects for financing community distributed generation projects by offering a uniform PILOT structure that is simple and therefore more appealing to lenders.

To benefit Sullivan County residents and businesses by requiring community distributed generation projects to offer them a local buying preference and an electricity rate of 10 percent less than the utility company's default rate, averaged over a 36 month period.

To stimulate Sullivan County's transition to a sustainable energy economy by fostering the generation of local solar energy that is purchased and used within the County.

To bring short- and long-term jobs to Sullivan County.

Program Tax Abatements:

Sales: Sales tax abatement on all taxable purchases made in connection with the acquisition, construction, installation, and equipping of the project.

Mortgage: Mortgage tax abatement on all loans financing projects under this program.

Real Estate: Real estate taxes on the increased value resulting from improvements are abated over a twenty-year period. The annual payment in lieu of taxes (PILOT) is expressed as a dollar value per megawatt (MW) of the facility's nameplate capacity. The dollar value per megawatt depends upon the level of incentives the project receives from New York State through the Public Service Commission's Value of Distributed Energy Resources (VDER), or Value Stack, mechanism. The PILOT dollar value per MW is the same for all IDA projects receiving a particular level of incentives through VDER. The PILOT is divided among all affected taxing jurisdictions in proportion to their tax rates.