



## MINUTES

Minutes of the regularly scheduled meeting of the Columbia County Industrial Development Agency held at 4303 Route 9, Hudson, NY on **Tuesday, June 2, 2015.**

### ATTENDANCE:

| <u>IDA Members</u> | <u>Staff</u>   | <u>Counsel</u>             | <u>Public:</u>                   |
|--------------------|----------------|----------------------------|----------------------------------|
| Bob Galluscio      | Lisa Drahushuk | Theodore Guterman II       | Supervisor John Porreca          |
| Brian Keeler       | Ken Flood      |                            | Katie Kocijanski – Register Star |
| Sid Richter        | Erin McNary    | <u>Guest</u>               |                                  |
| Sarah Sterling     | Carol Wilber   | Richard Fortin - SunStream |                                  |

Mr. Richter called the IDA meeting to order at 8:30am.

### Minutes:

Mr. Richter asked if there were any changes to the presented minutes from May 19, 2015. With no changes, Mr. Richter called for a motion to approve the minutes. Ms. Sterling made the motion, which was seconded by Mr. Galluscio. The motion passed unanimously. Mr. Flood handed out an email from Mr. Benson, who was unable to attend the meeting.

*Note: 8:32a.m., the meeting was held in abeyance in order to hold the Audit, Finance and Governance Committee meetings. The meeting was called back to order at 8:37a.m.*

### Mission and Measurements Report:

Mr. Flood stated the report was required by NYS. He noted the Columbia County IDA has been conservative with the assistance it has offered. He reminded the Board that there were currently 5 PILOTs in effect. One PILOT had been cancelled last year due to non-performance. He stated the PILOTs would be reviewed later in the year for performance.

He asked the Board to consider the Mission and Measurements report. Ms. Sterling asked about question number 3 on the report. Mr. Flood stated the Board appointed the officers. CEDC has a contract with the County to provide the administrative staff. He suggested that the Governance Committee review the issue at one of their meetings. Mr. Guterman suggested the October meeting. With no further question, Mr. Richter called for a motion to approve the report. Mr. Keeler made the motion to approve the report. Mr. Galluscio seconded the motion, which passed unanimously.

### **SunStream Hudson:**

Mr. Flood stated the Company had submitted 2 applications for the 2 different lessees. He introduced Richard Fortin of SunStream to describe the project. Mr. Fortin noted the a program had been instituted by NYS with the Governor committing \$1 billion toward solar projects. He stated SunStream had also received grant funding from NYSERTA. He stated NYS as part of the incentive had exempted these projects from NYS sales tax. He noted the County portion was still owed, unless locally exempted from it. He noted that several of the large NYS counties had legislated an exemption from local sales taxes. He was asking the IDA to exempt the project from the local portion of sales tax, as Columbia County had not followed suit, to date.

Mr. Fortin stated the project had been approved by the Greenport Planning Board as well as NYS DEC, Park and Recreation and the Columbia County Highway Department. He noted National Grid was still reviewing the project. Mr. Fortin noted that the majority of the job creation would be pre-development construction jobs. He anticipated 4 – 6 months of construction, and going forward the jobs would be maintenance and monitoring. He noted this was an important NYS and economic development project due to the environmental factor.

Mr. Fortin stated in order to qualify for NYS and NYSERTA programs, the end user of the electricity had to be identified. He noted that their lessees were The Center for Disability Services and St. Peter's Hospital. He noted that the two businesses served a 9 county area. Mr. Richter asked why the project was not constructed in Albany County where the end users were located. Mr. Fortin stated the cost of land was always taken into consideration and land prices were lower in Columbia County. He noted that these projects were allowed to construct in the same load zone as the end users.

Mr. Richter asked if there were financial projections available for the project. Supervisor Porreca stated he had been bombarded with similar requests for these projects. He noted that the town would be losing property taxes on the projects due to the property tax exemption. Mr. Fortin stated the property was exempted from property taxes for 15 years. Mr. Flood noted the request was for the 4% local sales tax to be exempted for the project. Mr. Keeler noted the 4% sales tax exemption would total \$280,000 for both projects. Mr. Fortin stated that was nearly the amount of the NYSERTA grant. He stressed that he would be getting money from NYS and giving it to another government.

Mr. Guterman stated the project advantages were; supporting a NYS priority by assisting green energy generation, getting a fee for the IDA, and some job creation. The Board discussed the need to address the issue of supporting or denying similar projects, noting this was a precedent setting project. Mr. Richter asked what the County's share of sales tax would be over the term of the project. Mr. Keeler asked if Mr. Fortin was sure the electricity generated was subject to County sales tax. Mr. Fortin stated he was pretty sure.

Mr. Sterling asked how much of the property was covered by the solar panels. Mr. Fortin said it would be approximately 50%. Mr. Richter stated he would like to be certain of

how the sales tax from the generation of the electricity would flow back to the County. Mr. Flood asked Mr. Fortin if he could obtain the answer for the Board. Mr. Fortin agreed, stating that the project needed to be more competitive in order to get people to switch, noting the project was driven by tax credits, making it hard to finance. He noted other counties had waived the sales and use tax for identical projects. He stated the Federal credits were expiring 12/31/16 and the project needed to be built by that date.

Mr. Flood felt it was more of an energy policy decision rather than a tax generation decision. He stated the amount of the benefit given would be spread out over the term. He felt the real property tax issue had a greater impact than the sales tax exemption. Ms. Sterling asked if a decision was needed today. Mr. Richter stated if the Board was not ready to decide, no decision would be made today.

Mr. Flood asked Mr. Fortin to outline the proposed construction schedule. Mr. Fortin noted the project needed to be built, operating and reporting to NYS by April 2016. He anticipated breaking ground in August and September with delivery of materials shortly after. Mr. Flood noted the next IDA meeting was scheduled for August. He noted a public hearing could be held shortly after and a sales tax letter would be issued if the project was approved by the Board.

Mr. Richter asked Mr. Fortin to provide financial projections. Mr. Flood asked Mr. Fortin to answer the question regarding the sales tax on power generation. Mr. Flood asked Supervisor Porreca about the issue of the County enacting legislation waiving the 4% sales tax on similar projects.

Mr. Fortin stated the end users locked in their price for 30 years, and received credits. He noted that the last hurdle was the National Grid study, which was expected by 6/23/15, with construction commencing shortly thereafter.

Mr. Flood stated the Board was requesting the information regarding the sales tax generation and the financial projections. He asked if the town required a performance bond. Mr. Fortin stated the town had not requested one. Mr. Flood stated when he received the information, he would forward on to the Board and hold a special meeting if necessary.

Ms. Sterling asked where the project was getting financing. Mr. Fortin stated there were 2 NYSERTA grants. One was a performance grant, the other an outright grant. Ms. Sterling asked if there was enough land to entertain the idea of a third project. Mr. Fortin stated there would be no additional projects. He stated the Public Service Commission had limited the number of projects in any area. Supervisor Porreca asked if fencing would be installed, securing the property. Mr. Fortin stated the site would be secured.

**Ginsberg's:**

Mr. Flood stated the legal decision ordering the Town of Ghent to grant the Ginsberg project permits had been in the paper. He stated if any of the Board wished to read the decisions, he would provide a copy to them. Mr. Guterman stated the IDA approvals

were still in effect. He noted those approvals were site specific to the 33 acre parcel. Ms. Sterling asked if there would be an appeal. Mr. Flood thought there would not be an appeal.

**Other Business:**

Mr. Flood stated a deposit on the last lot in the Commerce Park had been received. He noted the lot would be transferred from the County to the IDA.

With no further business, Mr. Galluscio made a motion to adjourn the meeting. Mr. Keeler seconded the motion, which passed unanimously.

The meeting was adjourned at 9:30am.

*Respectfully submitted by Lisa Drahusluk*