

**SENECA COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
MEETING MINUTES**

Regular Meeting
Thursday, October 1, 2020
12:00 Noon
Via Livestream and Recorded

Attendance:

Board Members Present:	Steven Brusso, Chair; Valerie Bassett; Menzo Case; Stephen Wadhams; Don Trout; Jeff Shipley; Erica Paolicelli (arrived at 12:02) and Tom Kime; (arrived at 12:02)
Board Members Absent	None
Staff Attending:	Sarah Davis, Executive Director; Patricia Jones, Deputy Director; Kelly Kline, Office Manager
Others Attending:	Robert Kernan, CFO; Robert Halpin, Legal Counsel; Dan Compitello and Richard Chun, NY Fayette I LLC and Kyle Krenzer, FLTV

Call to Order:

Chairman Brusso called the meeting to order at 12:00 p.m. A quorum of the Agency's members were present.

Approval of IDA Meeting Minutes of September 2, 2020:

The minutes of the Agency's meeting of September 3, 2020 had been sent to Board members prior to the meeting. A motion was made by Mr. Case to approve the minutes. Seconded by Ms. Bassett. Members Brusso, Wadhams, Kime, Paolicelli, Bassett, Trout and Case voted "yea". Mr. Kime and Mrs. Paolicelli were absent at time of vote. Motion carried.

Mrs. Paolicelli and Mr. Kime arrived

Approval of August 2020 Financial Statements:

The August 2020 financial statements had been mailed to board members prior to the meeting. Mrs. Paolicelli summarized the financial statements for the board. A motion was made by Mr. Case to approve the financial statements. Seconded by Mr. Kime. Members Bassett, Brusso, Kime, Case, Paolicelli, Wadhams, Shipley and Trout, voted "yea". Motion carried.

Approval of Proposed 2021 IDA Budget and Posting to PARIS:

The proposed 2021 IDA Budget had been forwarded to Board members prior to the meeting. Mr. Brusso advised board members that the IDA Audit Committee met on September 17th and recommending approval of the 2021 budget by the IDA Board. CFO, Bob Kernan provided a summary of the proposed budget to the board. One item proposed by staff for 2021 is the creation of a new marketing position which is budgeted to take place during the last two months of 2021 with an impacted cost of \$10,000. The audit committee agreed to review this position later next year and determine where the agency is in relation to budget actuals and then

determine the feasibility of adding a new position. Mr. Kime noted that he is in agreement with this approach and would like to look into ways the agency can create more revenue moving forward. A motion was made by Mr. Trout approving the 2021 IDA Budget and posting to PARIS. Seconded by Mrs. Paolicelli. Members Brusso, Bassett, Paolicelli, Case, Shipley, Kime, Wadhams and Trout voted “yea”. Motion carried

IDA Long Term Forecast:

A copy of the Long-Term Forecast was provided to the board prior to the meeting. Mr. Kernan presented the Agency’s long-term financial plan projecting out seven years with worst and average case scenarios. In the worst case, the IDA could exhaust its cash in 2026. In the average case, and using total projected income of \$400,000 a year, the IDA would be financially stable thru 2026 continuing into 2027. Ms. Davis noted two primary streams of revenue are agency fees and annual funds received from the County. Other types of potential revenue would come from the sale of land at the IDA-owned Deer Run Industrial Park and minimal application fees. This forward-looking view is reviewed twice a year, with the budget in the fall and the audit in the spring. It is for informational purposes only,

Approval of Engagement Letter / Raymond F. Wager, CPA.PC for 2020 IDA Audit:

A copy of the 2020 IDA Annual Audit Engagement Letter from the office of Raymond F. Wager, CPA, P.C. was provided to Board members prior to the meeting. Chairman Brusso noted that the Audit Committee has reviewed the Engagement letter and is recommending approval by the full board. There is a modest increase in their fee of \$255. A motion was made by Mr. Wadhams approving the 2020 Annual Engagement Letter. Seconded by Ms. Bassett. Members Brusso, Bassett, Paolicelli, Case, Shipley, Kime, Wadhams and Trout voted “yea”. Motion carried.

Presentation of Solar Project – NY Fayette I LLC by Daniel Compitello and Richard Chun:

NY Fayette I LLC has submitted an application for financial assistance on their proposed solar project in the Town of Fayette. Mr. Brusso noted that this is the first solar project that has come before the Board and today’s presentation by Mr. Compitello and Mr. Chun will be a good learning process. He encouraged the board to ask questions so that they are able to make a truly informed decision on the proposed approval of their application. Mr. Compitello presented the project to the board. Delaware River Solar is a New York State-based company and has been in operation since 2016 and has developed over 100 mw of community solar projects around the state. Community distributed generation (CDG) works in the following ways: Qualified customers in the same utility service territory can subscribe to a percentage of the solar facility. The customer then receives a monetary credit on their utility bill equal to the kWh generated by the solar facility. The customer pays the solar facility owner for this credit, which is a discount (typically 10%) from the respective utility rates. Community Solar facilities have several requirements that must be satisfied to qualify for the CDG program-Maximum size of 5MWac. Projects must have a minimum of 10 customers and each customer must be allocated at least 1,000 kWh. Anchor customers, which have a demand-based load of more than 25 kW, can subscribe to no more than 40% of a solar facility’s generated output. The estimated customer base for the project is approximately 900 homes or businesses. The project has been approved by the Town of Fayette under their solar law and is a 5 MW fixed tilt solar farm meaning the solar panels are affixed to a steel racking structure that is driven into the ground and is elevated about 3.5 ft off the ground allowing for natural vegetation to grow underneath the panels, regenerating the soils overtime. The farmland is being leased from the current owner. The lease payments will help support the farm by allowing the owner to make needed improvements to his 30-year-old farm.

Discussion:

Ms. Bassett asked what are the projected monthly savings per customer, how is the solar project being marketed to customers in the area and when is the project expected to be online? A. Depending how much energy the customer uses, the savings equates to approximately 10% of the bill thought the course of the year. As to the marketing aspect, the sales team attends public events and also does social media outreach and

advertising in the area. Customers can sign up via their website. They expect the project to be online during the first 6 months of 2021.

Mr. Brusso noted that in regard to the basic solar economics, it seems that generally you are trying to have relatively predicible cost and revenue. Are you trying to lock in year-to-year, so you are not subject to year-to-year fluctuations in the general markets and were there any negative comments or concerns from the Town of Fayette? A. Yes, in regard to costs that is one of the reasons we are seeking assistance in the way of a PILOT Agreement. We want to be sure we can offer competitive pricing for our customers. As for the comments from the Town of Fayette, the responses received were very favorable, and they had a very thorough solar law in place.

Mr. Shipley asked what is considered a qualified customer, what is the lifespan of the farm and is there a decommissioning plan? A. The project is open to anyone using NYSEG; however, there is preference given to people in the Town of Fayette. Also, a decommissioning plan was required by the Town of Fayette and was submitted to them and approved. The plan allows for the solar farm to operate for 25 – 30 years with the option to extend with approval.

Mr. Wadhams inquired as to the number of long-term jobs for the project. A. There are a number of construction jobs. Also, a local resident has been hired to act as a construction manager on this project. Other long-term jobs are maintenance jobs which cover the fleet of the solar farms around the state and they are all local jobs within New York.

Discussion / Approval of IDA Resolution No 2020-16 / NY Fayette I LLC / Inducement Resolution:

A copy of the proposed resolution and application for financial assistance was provided to the board prior to the meeting. As discussed, the company is seeking a property tax, sales tax and mortgage recording tax exemption for a 5MW community solar project in the Town of Fayette. NYS real property tax law allows solar projects to be exempt from taxation for a period of 15 years as it relates to any increase in the Assed Value of the property due to the addition of the system. Every taxing jurisdiction can choose to opt out of this law. In our area, Seneca County has opted out, but the Town of Fayette and Seneca Falls School District have not. While both the town and school have the right to negotiate a PILOT agreement with the developer, they have expressed interest in having the IDA take the lead and negotiate instead.

Mr. Case noted that many counties have policies in place for this type of project and currently the IDA does not. Ms. Davis noted that the agency's Governance Committee will be meeting this month for their annual review of IDA policies at which time Staff will propose an amended UTEP policy to include guidance on Solar projects. With the recommended approval by the Governance Committee the amended UTEP Policy will then go before the full board at the November Meeting for final approval. This will be prior to final approval of the proposed solar project. It is the consensus of the board that final approval of the project will not happen without the approval of the proposed policy.

Chairman Brusso advised board members that this resolution accepts the application, authorizes a public hearing to be held with respect to the project, authorizes the commencement of negotiations to develop a PILOT agreement and also approves financial assistance in an amount not exceeding \$100,000. Resolution no. 2020-16 is presented as follows:

RESOLUTION OF THE SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") (I) ACCEPTING THE APPLICATION OF NY FAYETTE I LLC (THE "COMPANY") DATED SEPTEMBER 10, 2020 WITH RESPECT TO A CERTAIN PROJECT , (ii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROJECT, (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED WITH RESPECT TO THE PROJECT, (IV) AUTHORIZING FINANCIAL ASSISTANCE IN AN AMOUNT NOT EXCEEDING ONE HUNDRED

**THOUSAND DOLLARS (\$100,000), AND (V) AUTHORIZING THE NEGOTIATION
OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, PILOT AGREEMENT AND
RELATED DOCUMENTS**

A motion was made by Mr. Tout approving Resolution No 2020-16 also stating that final approval of the project will not happen without the approval of an amended UTEP policy providing guidance on Solar Projects. Seconded by Mrs. Paolicelli. Members Brusso, Bassett, Paolicelli, Case, Shipley, Kime, Wadhams and Trout voted "yea". Motion carried

Standing Item – Update / Seneca County Chamber of Commerce – Jeff Shipley:

Mr. Shipley gave the following update to the board. The 2020 County visitor guide has been released and is available for digital download on www.discoverSeneca.com.

Standing Item – Update / Seneca County Board of Supervisors (BOS) – Don Trout:

Mr. Trout advised the board that the County is closer than ever to completing the transfer of the 414 Sewer line to the County. Mrs. Davis noted that IDA attorney Rob Halpin has provided staff with a draft agreement for the transfer of the sewer line. Staff will be sending the agreement to board members for comment and then to the County and the Town of Seneca Falls for their review. The agreement will address the transfer along with the reimbursement of the repairs to the IDA from the Town of Seneca Falls.

Other Business:

None

Executive Session:

None

Adjournment:

A motion to adjourn the meeting was made by Mr. Case. Seconded by Mr. Kime. Motion carried. The meeting adjourned at 2:04 p.m.

The next regular scheduled meeting will be held on November 5, 2020 **12:00 Noon**, via conference call and livestream due to COVID-19.

Respectfully submitted,



Stephen Wadhams
Secretary

pc: Margret Li, Clerk to the Board of Supervisors