SENECA COUNTY IDA
UNIFORM TAX EXEMPTION POLICY AND GUIDELINES (UTEP)

The general policy of the Seneca County Industrial Development Agency ("Agency") is to grant applicants real property tax abatements and exemptions from sales, use and mortgage recording taxes as described below. The Agency may grant enhanced benefits on a case by case basis for a project expected to have a significant economic impact on the County and/or any of its constituent municipalities as determined by the Agency's members.

A. Real Property Taxes

The Agency maintains a policy for the provision of real property tax abatements for qualified projects. The abatement provided applies to value added by construction or renovation and the existing parcel involved. The period of the exemption will not exceed the period of the respective financing or lease and will be for a period of up to twenty (20) years. The Agency's policy results in a graduated schedule of abatement applicable to County, Municipal and School taxes. Each schedule will result in percentages of taxes due with a maximum initial abatement of one hundred percent (100%). Eligible projects include any project which qualifies for financial assistance under General Municipal Law Article -18-A.

The foregoing notwithstanding, in recognition of the significant amount of capital investment associated with Renewable Energy Facilities, the Agency has developed a standard formula to be incorporated into PILOT agreements for community-distributed solar projects of five (5) megawatts (MW) or less as follows:

(i) A maximum abatement term of fifteen (15) years;

(ii) Annual payments consisting of (a) a payment determined by applying the assessed value of the land upon which the project is located, and any other site components existing as of the date of the Payment in Lieu of Tax Agreement ("PILOT") that are incorporated into the project, as of the date of the PILOT to the annual total ad valorem tax rate during the term of the PILOT; plus (b) a minimum $4,500 dollar per MW 'face plate' charge which escalate no less than two percent (2.0%) annually during the term of the PILOT, compounded.

PILOT payments for solar projects greater than five (5) MW will be negotiated based on the project's economics and anticipated benefit to the community.

Any deviations from the standard policy will be made only with the specific approval of the Agency's members based on the factors listed in paragraph E and those described in the New York State General Municipal Law Section 874(4)(a). Additionally, the Agency shall notify the affected local taxing jurisdictions of the proposed deviation from such policy and the reasons, therefore.

The Agency will use existing tax data to negotiate the payment in lieu of tax agreement and, therefore, appraisals will not normally be required.

B. Payment in Lieu of Taxes

Each project receiving abatement will be subject to a Payment In Lieu Of Tax Agreement ('PILOT Agreement") in a form acceptable to the Agency. The Agency will consider project factors, similar to those described in paragraph E herein, when determining the amounts to be paid under the PILOT Agreement. A copy of the PILOT Agreement will be forwarded to each of the affected taxing jurisdictions within fifteen (15) days of execution. Unless otherwise agreed by the Agency, with input from the affected taxing jurisdictions, such payments shall be allocated among the affected taxing jurisdictions in proportion to the amount of real, property tax and other taxes which would have been received by each affected taxing jurisdiction had the project not been tax exempt due to the status of the Agency involved in the project.

C. Sales and Use Tax Exemptions

1) Purchases of construction materials and equipment rentals and purchases of project related equipment, furnishings and services are made as agent for the Agency, and are therefore afforded full exemption from local and New York State Sales and Use Taxes until the project *is* completed (i.e. certificate of occupancy). Operating and- maintenance expenses of projects are not incurred as agent of the Agency, and no sales tax exemption is provided thereof.

2) All project applicants must agree in writing to file with the New York State Department of Taxation, in form and at times required an annual statement of the value of all sales and use taxes exemption claimed in connection with the facility in full compliance with Section 874(8) of the General Municipal Law.

D. Mortgage Recording Tax Exemptions

1) The Agency's Policy is to permit mortgage recording tax exemptions on all project related financing to the full extent permitted by New York State Law, whether or not the Agency has issued its bonds to finance the Project.

2) The Agency may, in its sole discretion, permit mortgage recording tax. Exemptions on non-project related financings, (e.g. second mortgages on the project to secure subordinated indebtedness of the project applicant). In determining whether to permit such exemptions on non-project related financing, the Agency shall consider such factors as it deems appropriate, including but not limited to the use of the property, the degree of investment, the degree and nature of the employment and the economic condition of the areas in which the facility is located.

E. Retail Limitations:

Retail (defined as more than 1/3 of the persons that visit the facility are visiting for retail purposes) unless one of the following was satisfied:

1) Tourism destination – “more likely than not to attract a significant number of visitors from outside the economic development region”
2) Unique facility: provides a service that is not otherwise available

F. Deviations

In addition to or in lieu of the foregoing the Agency may determine, on a case by case basis, to deviate from the guidelines described above or provide enhanced benefits for a project expected to have significant impact in the locality where the project will be located. Any deviations from the guidelines set forth above require the written notification by the Agency to the chief executive officer of each affected taxing jurisdictions. The Agency may consider any or all of the following factors in making such determination, no single one of which is determinative:

1) The nature of the proposed project (e.g. manufacturing, commercial, civic, etc.)
2) The nature of the property before the project begins (e.g. vacant land, vacant building, etc.)
3) The economic condition of the area at the time of the application and the economic multiplying effect the project will have on the area.
4) The extent to which the project will create or retain permanent, private sector jobs, the number of jobs to be created/retained and/or the salary ranges of such jobs.

5) The estimated value of tax exemptions to be provided.
6) The economic impact of the project and the proposed tax exemptions on affected taxing jurisdictions.
7) The impact of the proposed project on existing and proposed businesses and economic development projects in the vicinity.
8) The amount of private sector investment generated or likely to be generated by the proposed project.
9) The likelihood of accomplishing the proposed project in a timely fashion.
10) The effect of the proposed project upon the environment and surrounding property.
11) The extent to which the proposed project will require the provision of additional services including, but not limited to, educational, transportation, emergency medical or police and fire services.
12) The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts in which the project is located.
13) The extent to which the proposed project will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the project is located.

G. Effective Date

This Uniform Tax Exemption Policy shall apply to all projects for which the Agency has adopted or adopts an Inducement Resolution after April 1, 1999 and all refinancing of any project induced or closed before said date.

H. Amendments

The Agency, by resolution of its members, and upon notice to all affected taxing jurisdictions as may be required by law, may amend or modify the foregoing policy as it may, from time to time, in its sole discretion determine.

I. Forfeiture / Recapture

The Agency, by resolution of its members, may provide for forfeiture and/or recapture of financial assistance where expected growth or employment goals have not been met. If the Agency elects such a term, the pro visions, will be negotiated into the PILOT prior to a closing.

Reviewed & Re-adopted Annually
Amended on 11/5/2020