

Tompkins County IDA Special Meeting Minutes
May 3, 2012
Legislative Chambers
320 N. Tioga Street, Ithaca, NY

Present: Martha Robertson, Jeff Furman, Nathan Shinagawa, Jim Dennis, Svante Myrick, Will Burbank

Excused: Larry Baum

Staff Present: Heather Filiberto, Mariette Geldenhuys, Ina Arthur (recording)

Guests Present: Jerry Goodenough (AES Cayuga), Karen D'Antonio (Hiscock & Barclay)

CALL TO ORDER The meeting was called to order at 1:35 PM

ADDITIONS TO THE AGENDA - None

PRIVILEGE OF THE FLOOR - None

BUSINESS

AES Cayuga Mortgage Recording Tax Abatement Request

Introductions were made.

Ms. Geldenhuys stated that ownership of the Cayuga and Somerset power plants will transfer soon to new owners. The new operating holding company will be borrowing funds to continue operations of these power plants. Normally a mortgage recording tax is paid on the funds borrowed. The new owners are asking to have the TCIDA abate the mortgage recording tax. The amount of the funds borrowed that would apply to the Cayuga plant is 31% of \$70 Million or \$21.7M. TCIDA normally only abates the NYS portion of the mortgage recording tax.

A discussion of the exact percentage that is the NYS portion and the local municipality portion was held. Mr. Dennis asked that when the final vote is made that the exact numbers are reported.

Mr. Furman wanted to make sure that the IDA's position under the PILOT would be more secure in the event of a new bankruptcy. Is there anything the IDA can do with the upcoming paperwork that could do this.

Ms. Geldenhuys commented that the current PILOT mortgage gives a more secure position as a creditor than just a PILOT. There does not seem to be anything else that can be done. However, she will check with bankruptcy council to see if there is any additional language that can be added.

Mr. Furman also asked about indemnification around environmental issues at the plant.

It was mentioned that the plant is operating safely under four permits that are regulated by the DEC, IOS and EPA. They are currently very regulated.

Mr. Furman commented that he is worried about safety slipping when there are money issues.

Ms. Robertson commented that overseeing and regulating safety issues is out of the IDA's purview.

Mr. Goodenough commented that they are in a highly regulated business. DEC visits the plant often and the plant is meeting all the regulations.

Jim Dennis moved to take the request by AES Cayuga for a mortgage recording tax abatement to public hearing. Svante Myrick seconded the motion. The motion passed unanimously.

ADJOURNMENT

The meeting adjourned at 1:55 PM