

**Tompkins County Industrial Development Agency
Board of Directors Meeting Final Minutes
January 12, 2017
Tompkins County Legislative Offices
121 E. Court Street, Ithaca, NY**

Present: Jim Dennis, Rich John, Grace Chiang, Jennifer Tavares, Martha Robertson, Will Burbank

Staff Present: Heather McDaniel

Guests Present: Stacey Black, Chuck Smith (Local Labor Union Reps), Joe Sliker (Renovus), Richard Chun (Delaware River Solar), Rich Winter (Delaware River Solar), Jay Franklin (TC Assessment)

CALL TO ORDER

Jim Dennis called the meeting of the **Tompkins County Industrial Development Agency** to order at 4:10 pm.

PRIVILEGE OF THE FLOOR

Stacey Black –IBEW – He spoke about Delaware River Solar project. Wanted to stress the use of local labor. The application does not indicate that they plan to hire local labor.

Chuck Smith – Carpenters Union – Referring to the Delaware River Solar project, there are a number of grants available for projects like this, why does it need a PILOT? Also asked about the local labor policy implementation. Ms. McDaniel commented – this was approved in June 2016 and the first project that was approved after was Cargill – they have been apprised of the requirements. Mr. Smith asked if the required documentation as to the bids and use of local labor would be up on the web site. Ms. McDaniel replied that if that information is requested it should be done so under FOIL.

Joe Sliker – Renovus – Comments on draft solar policy – concerns over difference between for profit projects and energy savings projects. Legislation has changed. Wants to make sure that these changes are considered in the policy. If arrays are built and individual homeowners buy them they are being treated as not for profit vs. a commercial company building and then selling the energy that is treated as for profit. He also mentioned that State rebates vary depending on when they are applied for. This will also impact future projects and their financial viability. Jay Franklin, TC Assessment, commented that all real property is taxable unless there is an exemption. Most taxing jurisdictions have allowed exemption for residential, solar panels but some have not.

BUSINESS

Memorandum of Understanding with TCAD and Appointment of Administrative Director

Jim Dennis moved to approve the 2017 MOU with TCAD and to appoint Heather McDaniel as the Administrative Director of the TCIDA. Jennifer Tavares seconded the motion. The motion was approved 6-0.

Off-Site Solar Policy

This is the first draft of the policy to provide incentives for off-site solar projects. There has been some comment on it. Ms. McDaniel requested that the IDA request comment from taxing jurisdictions and continue discussion at a future meeting. The policy includes a requirement that the host municipality submit a letter of endorsement. The PILOT amount was set at \$8,000 per megawatt and was based primarily on two factors: First, other states like NJ and MA offer 10 and 15 year incentives (based on annual MW output) whereas NY only offers three years of incentive. This increase the payback on these projects in NY from 10 or 15 years to nearly 30 years, making them difficult to assemble in NY. Second, the load zone C where Tompkins is located has the lowest electricity rates in NYS, which effectively reduces the projected revenues on projects..

Rich John asked about figuring it out as a percentage of income stream after expenses. Ms. McDaniel stated that financing is structured very differently for each project due to tax credits etc. The suggested policy gives more predictability for taxing jurisdictions and project developers with a set dollar amount per year.

Ms. Tavares commented on informing other taxing jurisdictions about developing this polity – does a public hearing need to happen? Ms. Geldenhuys stated that there is no stipulation to hold a public hearing or even to notify them. Ms. McDaniel commented that she will notify the taxing jurisdictions and present at the Tompkins County Council of Governments.

Mr. Burbank asked why our areas electric rates are so low.

Mr. Dennis stated that this draft policy will be discussed more and will be brought back at a later time.

Delaware River Solar

Applications for Projects I, II, & III

Ms. McDaniel passed out letter from the Town of Newfield regarding the project, and a resolution for the IDA to notify interested and involved agencies of its intent to act as lead agency for the environmental review process.

There are three applications essentially the same, each a 2MW project on Millard Hill Road in Newfield. The State regulations only allow community solar projects of 2MW or less.. This project was referred from the Town of Newfield. The Town wanted to negotiate a PILOT agreement. However, real property tax law limits the term they could negotiate to 15 years. The life of the land lease and equipment is 20 years. The Town suggested the IDA could deliver a longer term to provide more certainty for the developer. The letter from the Town of Newfield requests \$9,000 per MW with a 1% annual escalator.

Richard Winter – owner of Delaware River Solar. The three, two-megawatt projects are being developed to sell renewable power locally. The company has projects in 8 or 9 other Counties in NY. The company has business in Sullivan County and NYC.

Mr. John – use of local labor – who do you plan to use? Mr. Winter stated they are committed to using as much local labor as possible. He would expect the vast majority to be local.

Mr. Burbank – The application states, “will you commit” to local labor. Ms. McDaniel stated that she couldn’t recommend how to answer if they have not yet secured a contractor.

Ms. Robertson asked about the fencing – this is to keep animals from bumping the panels and will also lower insurance rates.

How long do the panels last? The business plan is set up for 20 years but there are projects that are there for 40 years. 20-year-old panels can still produce 80% power.

Energy would be marketed to Load Zone C – all of Tompkins County and the surrounding Counties.

The administrative fee – it is usually 1 %. The project is requesting .5% - this is due to construction costs being high and the amount of incentives being lower than what a traditional project would receive.

Jim Dennis moved to accept the applications as complete and to send the projects to a public hearing. Jennifer Tavares seconded the motion. The amount in the application is the amount in the draft policy of \$8,000/mw – this is a bit lower than what the Town of Newfield proposed payment would be – a difference of less than \$30,000 over twenty years.

The motion passed unanimously 6-0.

Long Environmental Assessment Form

Ms. McDaniel stated that with no zoning in the Town of Newfield there is nothing that triggers an environmental review. Therefore, the TCIDA will need to perform the review. Outside council was hired to set up the documents to make sure the legal requirements for SEQR are met. These fees will be paid by the applicant. The IDA is passing a resolution today notifying all interested and involved agencies of the IDA’s intent to act as lead agent for the environmental review. The resolution in no way binds the IDA to accept the environmental review. The attorney has recommended that the IDA hire an environmental engineer to review and provide recommendations to the IDA.

Ms. Robertson wanted to make sure that all the possible interested entities are notified.

Intent to Declare TCIDA as Lead Agency for SEQR Review

Jennifer Tavares moved to approve the intent to declare TCIDA as lead agency for SEQR Review for the three Delaware River Solar projects. Jim Dennis seconded the motion. The motion passed 6-0.

STAFF REPORT

Ms. McDaniel reported that the 2016 Annual Audit Engagement Letter has been signed. The audit should be finished in March or April. All the requests for reporting have been sent out (jobs, bond payments, sales tax exemptions, etc.)

MINUTES

Rich John moved to approve the TCIDA Board minutes from the December 8, 2016 meeting. Martha Robertson seconded the motion. The motion was approved 5-0-1. Will Burbank abstained, as he was not at the last meeting.

The meeting was adjourned at 5:16 PM.