

PUBLIC HEARING AGENDA
COUNTY OF FRANKLIN INDUSTRIAL DEVELOPMENT AGENCY

BURKE SOLAR, LLC

December 1, 2022 – 6:00 pm

Burke Town Hall, 5165 US-11, Burke, New York 12917

ATTENDANCE LIST:

Jeremy Evans, CEO
Russ Kinyon, Economic Development Director
Maria Bourgeois, Operations Manager (via zoom)
Arnold Lobdell, Town of Burke
Bill Wood, Burke Town Supervisor
Jim Lobdell, Burke Resident
Tim Crippen, Malone Town Councilman
Judy Tavernier, Burke
Loretta Fowler, Chateaugay School Superintendent
Andrea Dumas, Franklin County Legislator
Genevieve Trigg, Barclay Damon (Nexamp) (via zoom)
Barton Pitts, Nexamp (via zoom)
Cathryn Crummey, Harris Beach (via zoom)

CALL TO ORDER: (Time: 6:02 pm).

Jeremy Evans, CEO opened the hearing.

PURPOSE:

Pursuant to and in accordance with General Municipal Law Section 859-a, the County of Franklin Industrial Development Agency (the “Agency”) is conducting this public hearing in connection with a certain proposed project, as more fully described below (the “Project”), to be undertaken by the Agency for the benefit of **BURKE SOLAR, LLC** (the “Company”).

The Agency published a Notice of Public Hearing and delivered a copy of the Notice of Public Hearing to each affected tax jurisdiction. An Affidavit of Publication of and Proof of delivery are attached.

DISCUSSION:

Jeremy Evans, CEO read a description of the Project, as follows:

BURKE SOLAR, LLC, for itself and/or on behalf of an entity or entities to be formed (collectively, the “Company”), has submitted an application to the Agency requesting the Agency's assistance with a certain project or projects (collectively, the “Project”) consisting of:

(i) the acquisition by the Agency of a leasehold interest in approximately 19.95 acres of real property located at State Route 11 in the Town of Burke, Franklin County, New York (the “Land”, being more particularly described as a portion of tax parcel No. 59.-4-14.100, as may be subdivided); (ii) the planning, design, construction and operation of a 5MWAC solar electrical generation system, including panel foundations, inverters, transformers, interconnect wiring, utility connections, sitework, landscaping, fencing, security and related improvements (collectively, the “Improvements”); (iii) the acquisition of and installation in and around the Land and Improvements by the Company of machinery, equipment, fixtures and other items of tangible personal property (the “Equipment”; and, collectively with, the Land and the Improvements, the “Facility”); and (iv) entering into a straight lease transaction (within the meaning of subdivision (15) of Section 854 of the Act), pursuant to which the Agency will retain a leasehold interest in the Facility for a period of time and sublease such interest in the Facility back to the Company (the “Straight Lease Transaction”).

The Agency contemplates that it will provide financial assistance (the “Financial Assistance”) to the Company in the form of (A) an exemption from all State and local sales and use taxes with respect to qualifying personal property included in or incorporated into the Facility or used in the construction and equipping of the Facility; and (B) a partial real property tax abatement through a payment-in-lieu-of-tax agreement (the “PILOT Agreement”), pursuant to which the Company would make payments in lieu of real property taxes to the Agency for the benefit of each affected tax jurisdiction (the “Affected Tax Jurisdictions”).

AGENCY COST-BENEFIT ANALYSIS:

Attached

PUBLIC COMMENT:

Bill Wood: For the benefit of everyone here, could you review the Cost Benefit Analysis with us to give us some background?

Jeremy Evans: Sure! The proposed terms are identical to three solar projects in the last several years and identical to two additional projects we are considering right now in Fort Covington.

- 15 year term (consistent with other community solar projects)

- payment per MW is \$5,500 – in addition a 2% escalator is built in for the life of the term

- would be the 4th project with the same exact terms

- on page 2, we will do an estimate for the Affected Taxing Jurisdictions annually based on their tax rates so you can know better what to expect for payments.

The IDA invoices the company and receives payment and then distributes to each affected taxing jurisdiction.

Arnold Lobdell: What happens after year 15?

Jeremy Evans: The project is fully back on the tax rolls. 1) Assessor will value improvements and 2) Depreciation occurs over time.

Bill Wood: Where did the \$5,500 come from? We have a larger project coming in

Jeremy Evans: That’s an entirely different model. These are community scale projects. The State has provided a range per MW and this is higher end and above average.

Bill Wood: Will affected taxing jurisdictions have input on bigger projects?

Jeremy Evans: It is my hope that we can work together from the beginning of negotiations to get the best project possible. The IDA can approve these smaller projects as they are but larger projects have to have input from all affected taxing jurisdictions.

Tim Crippen: Will this be the standard for each project?

Bill Wood: If someone adamantly disagreed, what would happen?

Jeremy Evans: That's why we're taking a transcript of these hearings. The IDA Board will review them. State Law requires a public hearing take place in the town where the project will be.

Loretta Fowler: Is it possible for projects like these to have a separate education benefit?

Jeremy Evans: That's something I'd need to look at.

Bill Wood: What other questions should we be asking?

Jeremy Evans; It's important that you understand the handouts and breakdown.

Bill Wood: What about sales tax calculations?

Jeremy Evans: That is completely separate from the PILOT – it provides an exemption from sales tax for materials/equipment. This will be the 5th project for Nexamp. I appreciate all of your questions and your attendance at this hearing.

ADJOURNMENT (Time: 6:37 pm)

PUBLIC HEARING AGENDA
COUNTY OF FRANKLIN INDUSTRIAL DEVELOPMENT AGENCY

ATTENDANCE LIST – Burke Solar, LLC

Name	Address	Representing
Bill Wood	Burke	Town Supervisor
Arnold Lobdell	Burke	Town of Burke
Jim Lobdell	Burke	Town Resident
Tim Crippen	Malone	Malone Town Councilman
Judy Tavernier	Burke	Town Resident
Loretta Fowler	Chateaugay	School Superintendent
Andrea Dumas	Malone	Franklin County Legislator

Renewable Energy PILOT Worksheet and Cost Benefit Analysis

Project Name: Burke Solar, LLC
 Project Address: State Route 11, Chateaugay, NY 12920
 Tax Map # 59.-4-14.100



Table #1: Project Information

2022 Full Market Value	\$115,800.00
2022 Equalization Rate (ER):	100%
2022 Assessed Value (Base Value):	\$115,800.00
2022 Tax Rate:	28.16366
Project Cost:	\$9,296,978
Projected Valuation: (Note 1)	\$5,000,000.00
Added Value (Projected Valuation * ER):	\$5,000,000.00
Finished Value (Added Value + Base Value):	\$5,115,800.00
Nameplate Megawatt Capacity:	5.00
Payment per Megawatt:	\$5,500.00
System PILOT Payment Escalator:	2%
Costs Subject to NYS Sales Tax:	\$6,916,896.12
FCIDA Administrative Fee:	1%

Table #3: Cost/Benefit Summary

Total Estimated Taxes Without Improvements	\$45,658.93
Total Estimated PILOT Payments	\$527,750.59
Total Estimated Taxes With No PILOT	\$2,544,723.43
Estimated Real Estate Tax Savings	\$2,016,972.84
Estimated Mortgages Tax Savings	\$0.00
Estimated Sales Tax Savings	\$553,351.69
Total Estimated Financial Assistance	\$2,570,324.52

Table #2: Proposed PILOT Payment Schedule

PILOT Year	Calendar Year	PILOT Base Assessed Valuation (2)	Estimated PILOT Payments for Base Value	PILOT Payments for System (3)	Total PILOT Payments (Base Value + System) (4)	2022 Tax Rate (5)	Estimated Full Taxes With No PILOT (6)
Interim	2023	\$115,800	\$3,261.35		\$3,261.35	28.16366	\$3,261.35
Year 1	2024	\$115,800	\$3,261.35	\$27,500.00	\$30,761.35	28.72693	\$146,961.24
Year 2	2025	\$115,800	\$3,261.35	\$28,050.00	\$31,311.35	29.30147	\$149,900.47
Year 3	2026	\$115,800	\$3,261.35	\$28,611.00	\$31,872.35	29.88750	\$152,898.48
Year 4	2027	\$115,800	\$3,261.35	\$29,183.22	\$32,444.57	30.48525	\$155,956.45
Year 5	2028	\$115,800	\$3,261.35	\$29,766.88	\$33,028.24	31.09496	\$159,075.58
Year 6	2029	\$115,800	\$3,261.35	\$30,362.22	\$33,623.57	31.71686	\$162,257.09
Year 7	2030	\$115,800	\$3,261.35	\$30,969.47	\$34,230.82	32.35119	\$165,502.23
Year 8	2031	\$115,800	\$3,261.35	\$31,588.86	\$34,850.21	32.99822	\$168,812.28
Year 9	2032	\$115,800	\$3,261.35	\$32,220.63	\$35,481.98	33.65818	\$172,188.52
Year 10	2033	\$115,800	\$3,261.35	\$32,865.05	\$36,126.40	34.33134	\$175,632.29
Year 11	2034	\$115,800	\$3,261.35	\$33,522.35	\$36,783.70	35.01797	\$179,144.94
Year 12	2035	\$115,800	\$3,261.35	\$34,192.79	\$37,454.15	35.71833	\$182,727.84
Year 13	2036	\$115,800	\$3,261.35	\$34,876.65	\$38,138.00	36.43270	\$186,382.39
Year 14	2037	\$115,800	\$3,261.35	\$35,574.18	\$38,835.53	37.16135	\$190,110.04
Year 15	2038	\$115,800	\$3,261.35	\$36,285.67	\$39,547.02	37.90458	\$193,912.24
		Totals	\$45,658.93	\$439,283.30	\$527,750.59		\$2,544,723.43

Notes

¹ Projected Valuation is an estimate only and used to calculate Estimated Full Taxes. The assessor will determine the actual assessed value once the project is complete. All special district fees will be calculated using the actual assessed value.

² Base Assessed Valuation is frozen at \$115,800 or such amount as may be assigned by the assessor in connection with subdivision or establishment of a new parcel for the project.

³ PILOT Payments for System are fixed and based upon dollar amount per MW nameplate and a 2% annual escalator.

⁴ The Annual Total PILOT Payment is based on the Base Value Payment + Payments for System.

⁵ Tax Rate (per \$1,000 in value) assumes a 2% increase per year.

⁶ Estimated Full Taxes With No PILOT is based on the Finished Value * Mill Rate.

Renewable Energy PILOT Worksheet and Cost Benefit Analysis

Project Name: Burke Solar, LLC
 Project Address: State Route 11, Chateaugay, NY 12920
 Tax Map # 59.-4-14.100

PILOT Payment Calculation			
Estimated Year 1 Total PILOT Payment			\$30,761.35
	Tax Rate	% of Total	Estimated Payment
Town of Burke 2022 Roll			
General - Townwide	1.975247	7.0%	\$2,157.44
General - Outside	0.175377	0.6%	\$191.55
Highway - Outside	1.781467	6.3%	\$1,945.78
Highway - Townwide	2.449122	8.7%	\$2,675.02
BOE- Townwide	0.102086	0.4%	\$111.50
Town Subtotal	6.483299	23.0%	\$7,081.29
County General 2022 Roll	4.326067	15.4%	\$4,725.08
Chateaugay CSD 2022-2023 Roll			
School	17.13571	60.8%	\$18,716.23
Library	0.218584	0.8%	\$238.75
School Subtotal	17.354294	61.6%	\$18,954.98
Total	28.16366	100.0%	\$30,761.35

Notes: 1. The portion of the total PILOT payment each taxing jurisdiction receives is
 2. Even though the total PILOT payment is set for each year of the agreement, the percentage each jurisdiction receives each year will vary based on the tax rates set by each jurisdiction.

3. This estimate is based on the first year PILOT payment and is provided for planning purposes only.

PILOT Payment Calculation			
Estimated Full Taxes (If No PILOT)			\$146,961.24
	Tax Rate	% of Total	Estimated Payment
Town of Burke 2022 Roll			
General - Townwide	1.975247	7.0%	\$10,307.07
General - Outside	0.175377	0.6%	\$915.14
Highway - Outside	1.781467	6.3%	\$9,295.90
Highway - Townwide	2.449122	8.7%	\$12,779.80
BOE- Townwide	0.102086	0.4%	\$532.70
Town Subtotal	6.483299	23.0%	\$33,830.61
County General 2022 Roll	4.326067	15.4%	\$22,573.92
Chateaugay CSD 2022-2023 Roll			
School	17.13571	60.8%	\$89,416.12
Library	0.218584	0.8%	\$1,140.60
School Subtotal	17.354294	61.6%	\$90,556.72
Total	28.16366	100.0%	\$146,961.24

Sales Tax Calculation	
	Amount
Modules	\$ 2,515,484
Mounting	\$ 2,093,807
Inverters	\$ 338,458
BOS Equipment	\$ 212,534
Electrical	\$ 1,617,208
Fencing	\$ 139,405
Total:	\$ 6,916,896
Rate	8%
Estimated Sales Tax Exemption	\$ 553,351.69