

PUBLIC HEARING AGENDA  
COUNTY OF FRANKLIN INDUSTRIAL DEVELOPMENT AGENCY

**COVINGTON SOLAR 1, LLC**

**December 1, 2022 – 2:00 pm**

Fort Covington Adult Center, 2526 Chateaugay Street, Fort Covington, New York 12937

ATTENDANCE LIST:

Jeremy Evans, CEO  
Russ Kinyon, Economic Development Director  
Rachel Child, Community Development Specialist  
Maria Bourgeois, Operations Manager (via zoom)  
*Pat Manchester, Fort Covington Town Supervisor*  
*Paul Lauzon, 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: 2:05 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 **COVINGTON SOLAR 1, 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:

**COVINGTON SOLAR 1, 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 10.10 acres of real property located at State Route 37 in the Town of Fort Covington, New York (the “Land”), being more particularly described as a portion of tax parcel No. 23.-3-2.100, as may be subdivided); (ii) the planning, design, construction and operation of a 2MWAC 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:

Paul Lauzon: What is the timeline for construction of the project?

Barton Pitts: Three or four months. Some trees can be cut this winter and there could be delays on the end of project in coordinating communications with National Grid. We would plan to start in the spring.

Paul Lauzon: So if you have a mid to end of summer end date, how long to get the project up and running?

Barton Pitts: A couple of months.

Paul Lauzon: Have you checked to see if the substations can handle the extra power?

Barton Pitts: That is the 1<sup>st</sup> step of our process. In doing so, minor upgrades to the substation have had to be made.

Paul Lauzon: Could it be up and running by Fall of 2023?

Barton Pitts: Yes.

Pat Manchester: Two Questions: 1) Our Code Officer wonders what style of fencing you will put around the area? 2) Will you plant evergreens alongside the fencing?

Barton Pitts: Generally, they use chain link or farm fencing, in this case, I believe farm fencing will be the one selected. Although I haven’t looked at the details for planting evergreens, I am sure some will be planted.

Paul Lauzon: Have PILOT Terms been worked out?

Jeremy Evans: Proposed terms are:

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

-payment per MW is \$5,500

-would be the 4<sup>th</sup> 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.

ADJOURNMENT (Time: 2:25 pm)

PUBLIC HEARING AGENDA  
COUNTY OF FRANKLIN INDUSTRIAL DEVELOPMENT AGENCY

ATTENDANCE LIST – **Covington Solar 1, LLC**

Name	Address	Representing
Paul Lauzon	Fort Covington	Franklin County Legislator
Pat Manchester	Fort Covington	Town Supervisor

**Renewable Energy PILOT Worksheet and Cost Benefit Analysis**

Project Name: Covington Solar 1, LLC  
 Project Address: State Route 37, Fort Covington, NY 12801  
 Tax Map # 23.-3-2.100

Table #1: Project Information		Table #3: Cost/Benefit Summary	
2022 Full Market Value	\$31,084.00	Total Estimated Taxes Without Improvements	\$8,549.71
2022 Equalization Rate (ER):	83%	Total Estimated PILOT Payments	\$199,998.68
2022 Assessed Value (Base Value):	\$25,799.72	Total Estimated Taxes With No PILOT	\$780,204.42
2022 Tax Rate:	23.670549	Estimated Real Estate Tax Savings	\$580,205.74
Project Cost:	\$4,720,415	Estimated Mortgages Tax Savings	\$0.00
Projected Valuation: (Note 1)	\$2,000,000.00	Estimated Sales Tax Savings	\$280,532.93
Added Value (Projected Valuation * ER):	\$1,660,000.00	<b>Total Estimated Financial Assistance</b>	<b>\$860,738.67</b>
Finished Value (Added Value + Base Value):	\$2,025,799.72		
Nameplate Megawatt Capacity:	2.00		
Payment per Megawatt:	\$5,500.00		
System PILOT Payment Escalator:	2%		
Costs Subject to NYS Sales Tax:	\$3,506,661.57		
FCIDA Administrative Fee:	1%		

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	\$25,800	\$610.69		\$610.69	23.67055	\$610.69
Year 1	2024	\$25,800	\$610.69	\$11,000.00	\$11,610.69	23.90725	\$48,431.31
Year 2	2025	\$25,800	\$610.69	\$11,220.00	\$11,830.69	24.14633	\$48,915.62
Year 3	2026	\$25,800	\$610.69	\$11,444.40	\$12,055.09	24.38779	\$49,404.78
Year 4	2027	\$25,800	\$610.69	\$11,673.29	\$12,283.98	24.63167	\$49,898.83
Year 5	2028	\$25,800	\$610.69	\$11,906.75	\$12,517.45	24.87798	\$50,397.81
Year 6	2029	\$25,800	\$610.69	\$12,144.89	\$12,755.58	25.12676	\$50,901.79
Year 7	2030	\$25,800	\$610.69	\$12,387.79	\$12,998.48	25.37803	\$51,410.81
Year 8	2031	\$25,800	\$610.69	\$12,635.54	\$13,246.24	25.63181	\$51,924.92
Year 9	2032	\$25,800	\$610.69	\$12,888.25	\$13,498.95	25.88813	\$52,444.17
Year 10	2033	\$25,800	\$610.69	\$13,146.02	\$13,756.71	26.14701	\$52,968.61
Year 11	2034	\$25,800	\$610.69	\$13,408.94	\$14,019.63	26.40848	\$53,498.30
Year 12	2035	\$25,800	\$610.69	\$13,677.12	\$14,287.81	26.67257	\$54,033.28
Year 13	2036	\$25,800	\$610.69	\$13,950.66	\$14,561.35	26.93929	\$54,573.61
Year 14	2037	\$25,800	\$610.69	\$14,229.67	\$14,840.37	27.20869	\$55,119.35
Year 15	2038	\$25,800	\$610.69	\$14,514.27	\$15,124.96	27.48077	\$55,670.54
		<b>Totals</b>	<b>\$8,549.71</b>	<b>\$175,713.32</b>	<b>\$199,998.68</b>		<b>\$780,204.42</b>

**Notes**

<sup>1</sup> 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.

<sup>2</sup> Base Assessed Valuation is frozen at \$25,800 or such amount as may be assigned by the assessor in connection with subdivision or establishment of a new parcel for the project.

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

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

<sup>5</sup> Tax Rate (per \$1,000 in value) assumes a 1% increase per year.

<sup>6</sup> Estimated Full Taxes With No PILOT is based on the Finished Value \* Mill Rate.

# Renewable Energy PILOT Worksheet and Cost Benefit Analysis

Project Name: Covington Solar 1, LLC  
 Project Address: State Route 37, Fort Covington, NY 12801  
 Tax Map #: 23.-3-2.100

PILOT Payment Calculation			
Estimated Year 1 Total PILOT Payment			\$11,610.69
	Tax Rate	% of Total	Estimated Payment
<b>Town of Fort Covington 2022 Roll</b>			
General - Townwide	3.465806	14.6%	\$1,700.02
General - Outside	0	0.0%	\$0.00
Highway - Outside	0	0.0%	\$0.00
Highway - Townwide	4.221964	17.8%	\$2,070.92
BOE- Townwide	0.12641	0.5%	\$62.01
<b>Town Subtotal</b>	<b>7.81418</b>	<b>33.0%</b>	<b>\$3,832.95</b>
<b>County General 2022 Roll</b>	<b>5.207659</b>	<b>22.0%</b>	<b>\$2,554.42</b>
<b>Salmon River CSD 2022-2023 Roll</b>			
School	10.64871	45.0%	\$5,223.32
Library	0	0.0%	\$0.00
<b>School Subtotal</b>	<b>10.64871</b>	<b>45.0%</b>	<b>\$5,223.32</b>
<b>Total</b>	<b>23.670549</b>	<b>100.0%</b>	<b>\$11,610.69</b>

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)			\$48,431.31
	Tax Rate	% of Total	Estimated Payment
<b>Town of Fort Covington 2022 Roll</b>			
General - Townwide	3.465806	14.6%	\$7,091.24
General - Outside	0	0.0%	\$0.00
Highway - Outside	0	0.0%	\$0.00
Highway - Townwide	4.221964	17.8%	\$8,638.38
BOE- Townwide	0.12641	0.5%	\$258.64
<b>Town Subtotal</b>	<b>7.81418</b>	<b>33.0%</b>	<b>\$15,988.26</b>
<b>County General 2022 Roll</b>	<b>5.207659</b>	<b>22.0%</b>	<b>\$10,655.17</b>
<b>Salmon River CSD 2022-2023 Roll</b>			
School	10.64871	45.0%	\$21,787.88
Library	0	0.0%	\$0.00
<b>School Subtotal</b>	<b>10.64871</b>	<b>45.0%</b>	<b>\$21,787.88</b>
<b>Total</b>	<b>23.670549</b>	<b>100.0%</b>	<b>\$48,431.31</b>

Sales Tax Calculation	
	Amount
Modules	\$ 1,321,486.25
Mounting	\$ 982,054.21
Inverters	\$ 177,769.60
BOS Equipment	\$ 189,948.41
Electrical	\$ 737,003.74
Fencing	\$ 98,399.36
<b>Total:</b>	<b>\$ 3,506,661.57</b>
Rate:	0.08
<b>Estimated Sales Tax Exempti</b>	<b>\$ 280,532.93</b>