

PUBLIC HEARING AGENDA  
COUNTY OF FRANKLIN INDUSTRIAL DEVELOPMENT AGENCY

**COVINGTON SOLAR 2, LLC**

**December 1, 2022 – 2:30 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: 2:33 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 2, 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 2, 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 40.33 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 4.2MWAC 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 noted that the parcel number listed is incorrect and Jeremy responded that the correct parcel number should be: 23.-3-5. Then Paul Lauzon stated the Covington name as project is confusing to which Barton Pitts replied that is just the name of the LLC. Paul Lauzon then asked about the timeline for this project to which Barton Pitts replied that it is the same as for Covington 1. The hope is to mobilize crews to build both simultaneously. Construction would wrap up mid-end of next summer if started in spring. Both projects could be up and running by fall of 2023.

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: 2:41 pm)

PUBLIC HEARING AGENDA  
COUNTY OF FRANKLIN INDUSTRIAL DEVELOPMENT AGENCY

ATTENDANCE LIST – Covington Solar 2

| 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 2, LLC  
 Project Address: State Route 37, Fort Covington, NY 12801  
 Tax Map # 23.-3-5



| Table #1: Project Information              |                | Table #3: Cost/Benefit Summary              |                       |
|--|----------------|---|-----------------------|
| 2022 Full Market Value                     | \$100,361.00   | Total Estimated Taxes Without Improvements  | \$27,604.47           |
| 2022 Equalization Rate (ER):               | 83%            | Total Estimated PILOT Payments              | \$431,025.90          |
| 2022 Assessed Value (Base Value):          | \$83,299.63    | Total Estimated Taxes With No PILOT         | \$1,650,324.99        |
| 2022 Tax Rate:                             | 23.670549      | Estimated Real Estate Tax Savings           | \$1,219,299.09        |
| Project Cost:                              | \$9,117,917    | Estimated Mortgages Tax Savings             | \$0.00                |
| Projected Valuation: (Note 1)              | \$4,200,000.00 | Estimated Sales Tax Savings                 | \$538,952.31          |
| Added Value (Projected Valuation * ER):    | \$3,486,000.00 | <b>Total Estimated Financial Assistance</b> | <b>\$1,758,251.40</b> |
| Finished Value (Added Value + Base Value): | \$4,283,299.63 |   |                       |
| Nameplate Megawatt Capacity:               | 4.20           |   |                       |
| Payment per Megawatt:                      | \$5,500.00     |   |                       |
| System PILOT Payment Escalator:            | 2%             |   |                       |
| Costs Subject to NYS Sales Tax:            | \$6,736,903.83 |   |                       |
| 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          | \$83,300                          | \$1,971.75                              |                               | \$1,971.75                                     | 23.67055          | \$1,971.75                             |
| Year 1     | 2024          | \$83,300                          | \$1,971.75                              | \$23,100.00                   | \$25,071.75                                    | 23.90725          | \$102,401.93                           |
| Year 2     | 2025          | \$83,300                          | \$1,971.75                              | \$23,562.00                   | \$25,533.75                                    | 24.14633          | \$103,425.95                           |
| Year 3     | 2026          | \$83,300                          | \$1,971.75                              | \$24,033.24                   | \$26,004.99                                    | 24.38779          | \$104,460.21                           |
| Year 4     | 2027          | \$83,300                          | \$1,971.75                              | \$24,513.90                   | \$26,485.65                                    | 24.63167          | \$105,504.82                           |
| Year 5     | 2028          | \$83,300                          | \$1,971.75                              | \$25,004.18                   | \$26,975.93                                    | 24.87798          | \$106,559.86                           |
| Year 6     | 2029          | \$83,300                          | \$1,971.75                              | \$25,504.27                   | \$27,476.01                                    | 25.12676          | \$107,625.46                           |
| Year 7     | 2030          | \$83,300                          | \$1,971.75                              | \$26,014.35                   | \$27,986.10                                    | 25.37803          | \$108,701.72                           |
| Year 8     | 2031          | \$83,300                          | \$1,971.75                              | \$26,534.64                   | \$28,506.39                                    | 25.63181          | \$109,788.73                           |
| Year 9     | 2032          | \$83,300                          | \$1,971.75                              | \$27,065.33                   | \$29,037.08                                    | 25.88813          | \$110,886.62                           |
| Year 10    | 2033          | \$83,300                          | \$1,971.75                              | \$27,606.64                   | \$29,578.39                                    | 26.14701          | \$111,995.49                           |
| Year 11    | 2034          | \$83,300                          | \$1,971.75                              | \$28,158.77                   | \$30,130.52                                    | 26.40848          | \$113,115.44                           |
| Year 12    | 2035          | \$83,300                          | \$1,971.75                              | \$28,721.95                   | \$30,693.69                                    | 26.67257          | \$114,246.60                           |
| Year 13    | 2036          | \$83,300                          | \$1,971.75                              | \$29,296.39                   | \$31,268.13                                    | 26.93929          | \$115,389.06                           |
| Year 14    | 2037          | \$83,300                          | \$1,971.75                              | \$29,882.31                   | \$31,854.06                                    | 27.20869          | \$116,542.95                           |
| Year 15    | 2038          | \$83,300                          | \$1,971.75                              | \$30,479.96                   | \$32,451.71                                    | 27.48077          | \$117,708.38                           |
|            |               | <b>Totals</b>                     | <b>\$27,604.47</b>                      | <b>\$368,997.97</b>           | <b>\$431,025.90</b>                            |                   | <b>\$1,650,324.99</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 \$83,300 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 2, LLC  
 Project Address: State Route 37, Fort Covington, NY 12801  
 Tax Map #: 23.-3-5

| PILOT Payment Calculation               |                  |               |                    |
|---|------------------|---------------|--------------------|
| Estimated Year 1 Total PILOT Payment    |                  |               | \$25,071.75        |
|   | Tax Rate         | % of Total    | Estimated Payment  |
| <b>Town of Fort Covington 2022 Roll</b> |                  |               |                    |
| General - Townwide                      | 3.465806         | 14.6%         | \$3,670.97         |
| General - Outside                       | 0                | 0.0%          | \$0.00             |
| Highway - Outside                       | 0                | 0.0%          | \$0.00             |
| Highway - Townwide                      | 4.221964         | 17.8%         | \$4,471.89         |
| BOE- Townwide                           | 0.12641          | 0.5%          | \$133.89           |
| <b>Town Subtotal</b>                    | <b>7.81418</b>   | <b>33.0%</b>  | <b>\$8,276.75</b>  |
| <b>County General 2022 Roll</b>         | <b>5.207659</b>  | <b>22.0%</b>  | <b>\$5,515.93</b>  |
| <b>Salmon River CSD 2022-2023 Roll</b>  |                  |               |                    |
| School                                  | 10.64871         | 45.0%         | \$11,279.07        |
| Library                                 | 0                | 0.0%          | \$0.00             |
| <b>School Subtotal</b>                  | <b>10.64871</b>  | <b>45.0%</b>  | <b>\$11,279.07</b> |
| <b>Total</b>                            | <b>23.670549</b> | <b>100.0%</b> | <b>\$25,071.75</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)      |                  |               | \$102,401.93        |
|   | Tax Rate         | % of Total    | Estimated Payment   |
| <b>Town of Fort Covington 2022 Roll</b> |                  |               |                     |
| General - Townwide                      | 3.465806         | 14.6%         | \$14,993.54         |
| General - Outside                       | 0                | 0.0%          | \$0.00              |
| Highway - Outside                       | 0                | 0.0%          | \$0.00              |
| Highway - Townwide                      | 4.221964         | 17.8%         | \$18,264.78         |
| BOE- Townwide                           | 0.12641          | 0.5%          | \$546.87            |
| <b>Town Subtotal</b>                    | <b>7.81418</b>   | <b>33.0%</b>  | <b>\$33,805.18</b>  |
| <b>County General 2022 Roll</b>         | <b>5.207659</b>  | <b>22.0%</b>  | <b>\$22,529.02</b>  |
| <b>Salmon River CSD 2022-2023 Roll</b>  |                  |               |                     |
| School                                  | 10.64871         | 45.0%         | \$46,067.73         |
| Library                                 | 0                | 0.0%          | \$0.00              |
| <b>School Subtotal</b>                  | <b>10.64871</b>  | <b>45.0%</b>  | <b>\$46,067.73</b>  |
| <b>Total</b>                            | <b>23.670549</b> | <b>100.0%</b> | <b>\$102,401.93</b> |

| Sales Tax Calculation                |                        |
|--------------------------------------|------------------------|
|                                      | Amount                 |
| Modules                              | \$ 2,636,709.53        |
| Mounting                             | \$ 1,959,454.13        |
| Inverters                            | \$ 197,173.05          |
| BOS Equipment                        | \$ 274,798.26          |
| Electrical                           | \$ 1,470,514.58        |
| Fencing                              | \$ 198,254.28          |
| <b>Total:</b>                        | <b>\$ 6,736,903.83</b> |
| Rate:                                | 8%                     |
| <b>Estimated Sales Tax Exemption</b> | <b>\$ 538,952.31</b>   |