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2 Public hearing held pursuant to General Municipal
3 Law Section 859-a to seek public comment on an
4 application for financial assistance submitted by
5 SUN8 PDC LLC.
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8 HELD ON: April 27th, 2017

9 HELD AT: Spencer Town Court
10 79 East Tioga Street
11 Spencer, New York 14883

12
13 BEFORE: RALPH E. KELSEY, Chairman
14 AARON GOWAN, Treasurer
15

16
17 APPEARANCES:

18 BRYANT MYERS, Executive Administrator TCIDA

19 LEEANN TINNEY, Director of TC Economic Development
20 & Planning
21

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23 REPORTED BY: Caitlyn A. Shaylor
24 COURT REPORTER

1 MR. KELSEY: Good evening. As most
2 of you here -- that's here tonight know, my
3 name is Ralph Kelsey, and I am the chair of
4 the Tioga County Industrial Development
5 Agency. The agency is conducting this
6 hearing pursuant to General Municipal Law
7 Section 859-a to seek public opinion on an
8 application for financial assistance
9 submitted by -- it is Sun8 PDC LLC. And
10 the acceptance of the filing by the agency
11 does not infer any position on the approval
12 or the disapproval of the financial
13 assistance requested. No position will be
14 taken by the agency until all public
15 hearings and comments are concluded.

16 A copy of the cost benefit analysis
17 provided by the Department of Economic
18 Development and Planning is available in
19 the front of the room for your review. And
20 notice of this hearing was published April
21 15th in the Press & Sun Bulletin.

22 Each person wishing to speak shall
23 state his or her name, and if you are
24 speaking on behalf of any organization, or

1 entity please identify that organization or
2 entity. Each speaker will be given five
3 minutes to make their presentation. And
4 this hearing shall remain open until 6:30,
5 or longer if public comment warrants.

6 I remind you that the purpose of the
7 hearing is to afford you an opportunity to
8 make statements or comments on the
9 application and project plan of the IDA.
10 Your comments will be considered by the IDA
11 in making a decision.

12 This is not a question and answer
13 session. Please remember to identify
14 yourself, or the organization or entity
15 that you're speaking on behalf of prior to
16 your comments. And first I will call upon
17 LeAnn Tinney, director of Economic
18 Development and Planning, to explain the
19 benefits requested by SUN8 PDC LLC.
20 Thanks.

21 MS. TINNEY: Good evening. I'm LeAnn
22 Tinney, director of Economic Development
23 and Planning for Tioga County. This
24 application is made by SUN8 PDC LLC.

1 Distributed Sun (DSUN) is a stake holder in
2 Suneight Holdco, LLC, which is the parent
3 company of Sun8 PDC LLC. DSUN owns and
4 operates solar projects in nine states
5 across New York, including New York rather.

6 This project calls for the
7 construction of nine solar photovoltaic
8 arrays on three parcels, 256, 292 and 350
9 Van Etten Road in the Town of Spencer,
10 Tioga County, New York. The project owner
11 expects the solar arrays will generate
12 electricity for sale to residential
13 customers. The solar arrays will be
14 located on leased property, and it is
15 anticipated that they will have the
16 capability to generate 16 megawatts of
17 power.

18 Distributed Sun has had success
19 working in the Southern Tier of New York
20 already. They have seven projects already
21 operating in the Tompkins and Ontario
22 County areas. Sun8 is actively developing,
23 permitting and negotiating final project
24 agreements across the state.

1 The SUN8 PDC project would be located
2 entirely within the Town of Spencer with
3 construction slated to being in May 2017.
4 Construction activities would be minimal
5 and would include site preparation, later
6 months would involve system testing and
7 utility tie ins. Full operation would
8 occur by December 31st, 2017. The project
9 will add local generation contributing
10 toward grid reliability and resilience.

11 The March 24th application made by
12 SUN8 PDC LLC calls for nearly \$27 million
13 in improvements to the subject properties,
14 including the installation of the solar
15 arrays, engineering and architectural fees,
16 interconnection costs with the utility, and
17 legal and financial fees or charges.

18 The SUN8 PDC project will not create
19 any direct new workforce. SUN8 currently
20 employs 25 people with an annual payroll of
21 \$1.8 million and it is anticipated that
22 additional workforce will be required
23 associated with the Town of Spencer
24 project; however, none of those new workers

1 will be located in Tioga County. There
2 will be, however, construction estimated at
3 80 with an indirect effect of another 23
4 jobs as a result of the project.

5 The Department of Economic
6 Development and Planning has reviewed the
7 project and the impact to the Town of
8 Spencer and Tioga County. Several
9 important factors to consider include Real
10 Property Tax Law Section 487 provides for
11 only a maximum of 15 year exemption for
12 real property taxation for the increase in
13 value resulting from the installation of a
14 qualifying system.

15 The company has stated that the
16 financing of new solar projects is
17 traditionally accomplished on a project
18 financed basis with a lending community
19 that typically lends on a long-term basis.
20 Project financing is enhanced by having a
21 long-term PILOT due to the increased
22 assurance of debt coverage during the full
23 term of the borrowing.

24 The company has stated that the

1 project is revenue neutral and cannot grow
2 such as a regular business.

3 The project will bring a \$27 million
4 capital investment to Tioga County.

5 The company will create zero new
6 full-time permanent jobs and zero in new
7 full-time permanent annual wage earnings in
8 Tioga County. No annual indirect economic
9 benefits for Tioga County, New York due to
10 the lack of full-time permanent employment.

11 The company is offering a -- is
12 offering \$5,600 per megawatt generated on a
13 16 megawatt facility in the first year of
14 operation, and is including a two percent
15 escalation rate per year for duration of 30
16 years.

17 The company is bringing 80
18 construction jobs to Tioga County.

19 The company is stimulating an
20 additional 23 indirect jobs related to
21 construction to Tioga County.

22 Based on the proposed payment per
23 megawatt plus escalation the company is
24 requesting a real property tax abatement

1 estimated at \$486,144, which is the local
2 portion only, for construction, materials,
3 and equipment purchases. That's if all
4 materials and equipment were purchased
5 within Tioga County. No mortgage reporting
6 tax is requested.

7 The proposed project will allow a
8 potential savings to local electricity
9 customers estimated at over \$7 million over
10 the 30-year PILOT term. This calculation
11 is based on a 10 percent savings.

12 The proposed solar array of
13 development will allow not only for the
14 local generation of power adding to the
15 grid reliability and resilience, but also
16 the added benefit of continued use of the
17 subject parcel as farmland, that is
18 proposed sheep grazing.

19 A hundred percent of the existing
20 real property taxes paid by the property
21 owner will remain in place.

22 The company is agreeing to compensate
23 local land owners with over \$56,000 annual
24 rental income, translated to -- into \$1.7

1 million over a 30-year lease agreement
2 term.

3 No community services are requested
4 or required as a result of the proposed
5 project, such as: Upgrades, or continued
6 repair of roadways, increased scholastic
7 demands, or need for social benefits.

8 Recent studies established by the New
9 York State Public Service Commission have
10 indicated that added benefits of generating
11 clean energy include: Anticipated
12 reductions in healthcare costs, declines in
13 the cost and impact of climate change
14 factors, and other such societal benefits.

15 The Town of Spencer, Tioga County
16 Legislature and Spencer-Van Etten School
17 Board have indicated their support of the
18 project and this request.

19 Therefore, based on these facts, it
20 is the Department of Economic Development
21 and Planning's recommendation to the IDA
22 board to allow the sales tax exemption and
23 the real property tax abatement for the
24 SUN8 PDC solar array project in the Town of

1 Spencer.

2 MR. KELSEY: Thank you, LeeAnn.

3 John, did you want to speak tonight, or --

4 MR. WITCOMB: I just had some
5 questions.

6 MR. KELSEY: It's not a question and
7 answer, so --

8 MR. WITCOMB: Well, yes. It's --
9 it's -- my concern is about the division of
10 the -- of the -- of the PILOT between the
11 school district, the town, and the county.
12 I understand that it was based on the
13 percentages of the property tax -- as the
14 property taxes for each of those taxing
15 entities; however, the school district --
16 in my way of thinking, the school district
17 encompasses more than just the Town of
18 Spencer and therefore it seems to me that
19 -- I wondered if the board had considered a
20 larger portion of the -- of the PILOT
21 moving toward the Town of Spencer since we
22 are hosting the -- the arrays, the solar
23 project and not subsidizing other parts of
24 the school district that are outside the

1 Town of Spencer, and in fact outside Tioga
2 County itself.

3 MR. KELSEY: I thank you for the
4 comments.

5 MR. WITCOMB: My name is John Witcomb
6 by the way and I'm a resident of the Town
7 of Spencer.

8 MR. KELSEY: And that would be
9 something to be taken up with the school
10 and not the IDA, but your point is well
11 taken and will be recorded. Next -- I'm
12 going to hold off on you until last.

13 MR. FELDMANN: Yeah, that's fine.

14 MR. KELSEY: Donna, would you like to
15 make a few comments?

16 MS. MISTLER: I -- I guess I was
17 going to just say to John that I will pass
18 his concern to Dr. Morgan and I'm sure Dr.
19 Morgan will be in touch with you.

20 MR. WITCOMB: All right. Thank you.

21 MR. KELSEY: All right. Next on the
22 list will be Arne Past.

23 MR. PAST: No comments.

24 MR. KELSEY: No comments. Next on

1 the -- for comments -- oh, yes, John is
2 here. Matt is from the Morning Times and
3 that would leave Chet from Distributed Sun,
4 if you have any comments that you would
5 like to share.

6 MR. FELDMANN: Actually, I mean, just
7 calling out a couple benefits that we -- we
8 are bringing to all the communities we work
9 in. Again, sorry, Chet Feldmann. I'm with
10 Distributed Sun here on behalf of the
11 project. Just briefly, it was read in --
12 in the letter about things that -- that we
13 bring to the local community and that's --
14 that there are construction jobs moving
15 forward and -- and the timing of that. We
16 work with NYSEG and we're paying out of our
17 project budget for local upgrades to the
18 electricity grid that does not get passed
19 onto electricity payers, the rent payers in
20 the community. And the large big ticket
21 item why we're working, why we're doing
22 this here in this community is that we're
23 looking to provide locally produced
24 electricity and we are able to provide it

1 at a discount to NYSEG, so that that
2 benefit will be passed on to the community
3 as well and that's the main -- so sort of
4 the main benefits that we bring to local
5 communities. I just wanted to have that
6 noted.

7 MR. KELSEY: Thank you. Seeing that
8 there's no others here requesting to make a
9 comment, permission -- yes. Oh, yes.

10 MR. WITCOMB: John Witcomb. I just
11 would've like to add that I do support the
12 idea of a PILOT. I was on the -- speaking
13 as a member of the planning board, we had
14 fully reviewed this project and approved it
15 both -- both the SEQR and the project
16 itself and I personally had urged the town
17 board to seek some kind of -- of
18 arrangement other than direct property tax
19 for the -- for the project. So the PILOT
20 is what we have in mind. My -- my concern
21 is just the way that it's distributed.

22 MR. KELSEY: Thanks. Understood.

23 MS. TINNEY: Can I make one more
24 comment on that? Real Property Tax Law 487

1 specifically states that no PILOT agreement
2 will be permitted where the PILOT payment
3 is greater than what would ordinarily be
4 received by that entity if there were no
5 PILOT in place, so -- and I think this
6 comes pretty close to what the town would
7 receive if there were no PILOT in place,
8 it's close, but it isn't a matter of even
9 the IDA being able to adjust the
10 percentages. If that -- if that annual
11 payment is more than you would receive if
12 there were no PILOT in place, it's not
13 permitted according to that -- to that
14 section in the Real Property Tax Law.

15 MR. WITCOMB: Okay. But didn't I
16 just hear you say when you were speaking
17 that there was \$300,000 worth of taxes that
18 would not get paid to that -- over the 30
19 year period of time?

20 MS. TINNEY: Yeah.

21 MR. WITCOMB: So that would tell me
22 then that the PILOT is somewhat less than
23 what would've been received in property
24 taxes.

1 MS. TINNEY: We can talk, I've got
2 those numbers.

3 MR. WITCOMB: Okay.

4 MS. TINNEY: I can tell you just what
5 they will be.

6 MR. KELSEY: At this point -- other
7 than for endorsements, or opposition we'll
8 at this point be adjourned. And then LeAnn
9 can answer some questions after we take a
10 break here. We will go ahead at this point
11 and adjourn until 6:30.

12 (RECESS TAKEN.)

13 MR. KELSEY: All right. The time is
14 now officially 6:30 and the question is is
15 there anyone else who would like to make a
16 comment? If not I'd like to thank you all
17 for coming out tonight and good to see all
18 of you. So thank you very much.

19 MR. WITCOMB: When will you -- you'll
20 have -- do you actually have to approve
21 this at some point?

22 MR. KELSEY: We will be -- I believe
23 it will be brought before the board
24 Wednesday next week. Wednesday next week.

1 MR. FELDMAN: So regarding -- that's
2 an evening meeting?

3 MR. KELSEY: That's an evening
4 meeting, you get to work overtime.

5 MR. FELDMANN: All right. So we'll
6 -- we'll sort of have the results by next
7 Thursday?

8 MR. PAST: Where's the meeting?

9 MR. KELSEY: Tioga County Office
10 Building.

11 MR. GOWAN: In the legislative
12 conference room.

13 MR. KELSEY: In the legislative
14 boardroom. All right. Thank you.

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C E R T I F I C A T I O N

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I hereby certify that the proceedings and
evidence are contained fully and accurately in the
notes taken by me on the above cause and that this
is a correct copy of the same to the best of my
ability.



CAITLYN A. SHAYLOR