

**Cayuga County Industrial Development Agency  
Regular Meeting  
Cayuga County Chamber of Commerce  
2 State Street  
Auburn, NY  
January 24, 2019 at 4:00pm**

Chairman Lockwood called the meeting to order at 4:00pm, noting that a quorum was present.

**ROLL CALL:**

Present: Ray Lockwood, Ben Vitale, Herb Marshall, Andrew Rindfleisch, Paul Lattimore

Excused: John Latanyshyn, Gina Speno

Others Present: Tracy Verrier, Maureen Riester (CEDA); Rick Galbato (Galbato Law Firm); Charlie Ripley and Timothy Lattimore (Cayuga County Legislators); Stephen Lynch (Cayuga County Office of Planning & Economic Development); Melissa Clark (Abundant Solar); Marian Brown (Wells College); Michael Long (Finger Lakes Planning & Development/CCPUSA); Houtan Moaveni, Kendra Kostek, and Jennifer Manierre (NYSERDA)

**MEETING MINUTES:**

Mr. Marshall moved to approve the minutes of the December 18th Regular Meeting, seconded by Mr. Rindfleisch. All members present voted in favor; motion carried.

**BILLS AND COMMUNICATIONS:**

Ms. Verrier presented bills for December as presented in the packet, as well as pointed out the annual notification of bond allocation from New York State. She explained that the CEDA administrative invoice included a fee share per their contract and that the packet included an outline of which accounts were used to calculate that fee. Mr. Lattimore moved to pay the bills, seconded by Mr. Marshall. All members voted in favor, the motion carried.

**REPORT OF THE TREASURER**

Ms. Verrier reviewed the budget report, noting that the interest income was higher than usual due to quarterly interest received on the CDs. Mr. Rindfleisch moved to accept the report of the treasurer, seconded by Mr. Vitale. All members present voted in favor, the motion carried.

Ms. Verrier reviewed the outline of the fee share calculation, explaining all operating expenses (excluding infrastructure or land related expenses) were added together. Then the sum of expenses was subtracted from the project revenue (excluding land rental and interest income). The fee share percentage was applied to the resulting difference.

Ms. Verrier explained that the 6 month and 12 month CDs were about to expire. She relayed a recommendation from Mr. Latanyshyn since he was not able to attend the meeting. His recommendation was to renew the 6 month CD (about \$100,000) and move the 12 month CD (about \$50,000) into an 18 month or 2 year CD and increase the amount to \$100,000. Mr. Marshall asked what the interest rates for the 18 month and 2 year CDs were compared to the current 12 month CD, but Ms. Verrier was not aware of the interest rates. Mr. Marshall made a

motion to renew the 6 month CD and move the 12 month CD to an 18 month or 2 year CD if the interest rate was 3% or higher, and if not to move the 12 month CD to a 6 month CD and reconsider at its expiration to see if rates are higher. Motion seconded by Mr. Vitale. All voted in favor, motion passed.

Ms. Verrier requested a bank transfer from the Generations Savings account to the Key Bank Checking account in the amount of \$5000 in order to cover the current bills due. She explained once these checks clear staff will move the accounts from Key Bank as discussed at a previous meeting. Motion to transfer \$5000.00 from Generations Savings to Key Bank checking by Mr. Vitale, seconded by Mr. Rindfleisch. All present voted in favor, motion passed.

Ms. Verrier reviewed the invoice and disbursement report, noting that all of the school PILOT bills from September had been received and checks to disburse the last one were being signed tonight. She noted that Town and County PILOT bills went out recently, so a new report for those will be in the February packets.

### **UNFINISHED BUSINESS**

CEDA Staff Update: Ms. Riester reminded the board of the Opportunity Zone in Auburn, and informed them of an Export NY training by CNY International Business Alliance that would be starting soon. The training will help businesses start or improve exporting. Ms. Verrier provided an update from the Economic Forecast Luncheon that had occurred that day, as well as upcoming programming by CEDA including a career fair for students and events to engage referral networks. Mr. Vitale confirmed that CCIDA board members were reappointed by the Legislature.

Mr. Marshall inquired the status of conversations related to combining the two IDAs in the county. Ms. Verrier explained that the conversation had been put on hold as there was not yet support from AIDA, but that it would be revisited in the coming months at a Joint Governance Committee Meeting just to see if there had been any changes.

Mr. Marshall noted that he was glad to see legislators present at the meeting. He also noted that he would like CCIDA to start exploring the purchase of new land for future development. Furthermore, since the closing had occurred on the property next to the mall he wanted the board to do some master planning for that property and have a couple of board members walk the property to better understand its current condition and what would be necessary to get it ready for development.

Solar PILOT Presentation by NYSERDA: Mr. Moaveni introduced himself and his role within NYSERDA. He has spent a lot of time and energy communicating with communities and solar developers to come up with the current recommendations. He provided an overview of the New York State Clean Energy Standard, which is a goal to have 70% renewable energy in NYS by 2030 or 100% by 2040. He explained that there were a lot of reasons for setting this goal, including political and environmental, but primarily it is to address infrastructure deficiencies throughout the state. Modern lifestyles and businesses are dependent on electricity, but today's grid is not a 21<sup>st</sup> century grid. There is limited opportunity to build new traditional energy plants due to layers of regulations, and transmission networks are aging. Renewable energy localizes and modernizes the energy system. Private sector businesses are building their own renewable

energy solutions not just for environmental stewardship, but to protect themselves from rising electricity costs and potential supply issues. Mr. Moaveni then reviewed various resources, such as the Clean Energy Fund which includes a 10 year, \$5B funding commitment.

Ms. Riester asked what percentage of NY's energy is currently renewable? Mr. Moaveni stated about 5% is solar, but if other forms like wind and hydro are included the total is about 30%.

NYESRDA has multiple initiatives to reach this goal, including the property tax incentive for large-scale renewable energy projects. Town of Ledyard has one of the most recently awarded projects, which is proposed to be 150 acres. Any awarded project still needs to go through local and state approval processes and confirm financial feasibility, but if they can get through that the state will provide some compensation to the system owner annually.

Mr. Moaveni explained Community Solar and the advantages of it. This program addresses the issue that some households would not be able to install their own solar due to structural issues or ability to afford the installation. Community Solar allows a whole community to build a large array and take advantage of economies of scale.

Mr. Moaveni referred to and handed out New York Solar Guidebook for Local Governments, and explained the types of technical assistance available to municipalities from NYSERDA. He then reviewed the NYS Real Property Tax Law Section 487. This regulation allows solar development to be exempted from property taxes on added value from the array for 15 years, but there are still taxes paid on the value of the land. Municipalities are able to opt out, but those that don't are able to offer PILOT agreements rather than allowing the full exemptions. If a company gives notice of intent to a taxing jurisdiction, the jurisdiction must respond within 60 days in order to negotiate a PILOT. If there is no response, the developer receives the full exemption. Municipalities cannot partially opt out, like exempt large projects but not small. NYSERDA recommends PILOT negotiations go through an IDA as an IDA can offer a longer term PILOT, one PILOT can cover all jurisdictions, and the IDA can offer sales and use tax and mortgage recording tax exemptions in addition to the PILOT. NYSERDA recommends allowing full exemption for solar arrays under 5 acres as it's not worth the effort for projects that small. Mr. Moaveni recommended offering a PILOT for arrays between 5 and 35 acres. NYSERDA offers calculators for both appropriate per MW costs for a PILOT, as well as for property valuation to help assessors.

Mr. Marshall asked how to account for appreciation of land value over time? Mr. Moaveni explained that the land is assessed separately and taxed at 100%, then just the added value from the development is subject to the PILOT.

Ms. Riester explained that traditionally PILOTs are negotiated based on local benefit, like job creation and asked how to account for the community benefit of larger arrays, especially those where the electricity may not be consumed locally? Mr. Moaveni explained that the power is being generated and consumed almost simultaneously, it isn't traveling long distances. He recommended including Community Choice Aggregation to ensure a local benefit. This lets municipalities buy power at a discount to distribute to residents. Community Choice Aggregation

can be required so developers must allot a portion locally to be provided as low cost power locally.

Mr. Rindfleisch asked how much can be charged to be attractive to projects but still make some money for the taxing jurisdictions? Mr. Moaveni explained that it depends on system size and many factors. For small systems you can't charge anything, but for larger systems you can charge within a range. For projects above 35 acres, about \$2500 per MW. For projects 5-35 acres the rates a few months ago were \$4500-4800. Each project will be different though.

Mr. Moaveni provided an example of how those rates were reached: A small 10 acre, 2 MW array costs \$5m upfront and has \$100-150k of annual operation expense. Annual revenue for an array of this size is roughly \$250k. That leaves a net income of roughly \$150k, which doesn't leave much room for ROI to investors.

Mr. Lockwood thanked Mr. Moaveni for his time.

Motion to enter executive session for matters involving the proposed acquisition, sale or lease of real property made by Mr. Marshall, seconded by Mr. Rindfleisch. All present voted in favor, motion passed. Executive session began at 5:29pm.

Motion to exit executive session made by Mr. Rindfleisch, seconded by Mr. Lattimore. All present voted in favor, motion passed. Executive session ended at 5:42pm.

Motion to adjourn at 5:43pm by Mr. Rindfleisch, seconded by Mr. Vitale.

Respectfully submitted,  
Tracy Verrier

Next regularly scheduled meeting: Tuesday, February 19, 2019 @ 4pm