

**County of Clinton Industrial Development Agency**  
**Report of the Public Hearing**  
**Regarding Vermont Green Line Devco, LLC**  
**January 7, 2016**

The public hearing was called to order by CCIDA Executive Director, Roseanne Murphy at 10:00 a.m. at the Beekmantown Town Hall, 571 Spellman Road, Beekmantown, NY.

Present: Roseanne Murphy, CCIDA Executive Director  
Barbara Shute, Recording Secretary  
Mike Relyea, Vermont Green Line Devco, LLC  
Joe Rossignoli, Vermont Green Line Devco, LLC  
Daniel Mannix, Superintendent Beekmantown Central School  
Andrew Abdallah, Resident  
Robert Davenport, Business Owner and Resident  
Sharron Garden, Resident  
William Van Stockum, Resident

Good morning.

My name is Roseanne Murphy, and I am the Executive Director of the County of Clinton Industrial Development Agency (the "Agency").

Today I am holding this Public Hearing to allow citizens to make a statement, for the record, relating to the sponsorship and involvement of the Agency with a project (the "Proposed Project") for the benefit of Vermont Green Line Devco, LLC, a Delaware limited liability company (the "Company").

Please note that the Company has indicated to the Agency (and, to the extent possible, the Agency has done its best to verify) the following:

1. The Proposed Project is being proposed by the Company in response to a request for proposals issued on November 15, 2015 (the "RFP") by specified state agencies and electric distribution companies in Connecticut, Massachusetts and Rhode Island (the "Procuring States") for the delivery of "incremental qualified clean energy" from "qualified renewable and/or qualified large-scale hydropower resources" to the "New England system" in order to create a portfolio of projects that would reduce the cost to customers in each of the three Procuring States and still comply with each Procuring State's requirements and clean energy goals. Although some of the Procurement States statutes address only generation, the RFP indicates that it also invites bids for transmission projects that would deliver "incremental qualified clean energy" from outside the Procuring States to the Procuring States, and recognizes that some of the generation projects that submit bids may require new transmission to deliver their output.

2. The RFP requires that all responses to the RFP must be submitted by noon on January 28, 2016. Responses will be reviewed by the New England Independent System Operator (ISO-NE).

3. In order for the Company to submit a competitive bid, the Company needs to pin down, as much as possible, all of the costs of constructing and operating the Proposed Project. In order to enable the Company to accurately estimate the costs of operating the Proposed Project,

The Company has asked that the Agency agree to a 20-plus year payment in lieu of tax schedule with respect to the Proposed Project, pursuant to which the Company would pay annual fixed amounts to the affected tax jurisdictions as payments in lieu of taxes with respect to the Proposed Project.

4. Should the Company's response to the RFP (the "Company's Proposal") not be accepted as the winning proposal, the Company will not go forward with the Proposed Project.

The Proposed Project consists of the following: (A) (1) the acquisition of an interest in an approximately 5 acre portion of an approximately 262 acre parcel of land located at 82 Jersey Swamp Road (Tax Map # 179.-4-1.1) in the Town of Beekmantown, Clinton County, New York (the "Land"), (2) the construction on the Land of an approximately 37,500 square foot converter station (the "Facility"), (3) the installation of approximately nine miles of transmission cable through various public roads and waterways located in the Town of Beekmantown, Clinton County, New York (collectively, the "Cable") and (4) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment") (the Land, the Facility, the Cable and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to constitute an high-voltage-direct-current electricity line to transmit wind and hydro power and other directly and indirectly related activities; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

I intend to provide general information on the Agency's general authority and public purpose to provide assistance to this Proposed Project. I will then open the comment period to receive comments from all present who wish to comment on either the Proposed Project or the Financial Assistance contemplated by the Agency with respect to the Proposed Project.

### **Legal Authorization and Powers of the Agency**

The provisions of Chapter 1030 of Laws of 1969 of New York, constituting Title I of Article 18- A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York as amended, and Chapter 225 of the 1971 Laws of the State of New York, as amended, codified as Section 895-f of said General Municipal Law (collectively, the "Act"), authorize the Agency to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining and equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others.

### **Purpose of this Public Hearing**

Pursuant to Section 859-a(2) of the General Municipal Law of the State of New York (the "Act"), prior to the Agency providing any "financial assistance" (as defined in the Act) of more than \$100,000 to any project, the Agency, among other things, must hold a public hearing pursuant to Section 859-a of the Act with respect to said project. Since the proposed "financial assistance" to be provided by the Agency with respect to the Proposed Project may exceed \$100,000, then prior to providing any "financial assistance" (as defined in the Act) of more than \$100,000 to the Proposed Project, the Agency must hold a public hearing on the nature and location of the Project Facility and the proposed "financial assistance" to be provided by the Agency with respect to the Proposed Project.

Again, the purpose of the Public Hearing is to solicit public comment with respect to the Agency's involvement with the Proposed Project. We are not here to answer questions, although in the course of this Public Hearing we will consider questions if we have the information to answer the question and there is sufficient time to consider such questions. Further, questions or comments regarding environmental, planning, zoning, design and related issues regarding the Proposed Project are outside the scope of this Public Hearing. Lastly, general comments regarding industrial development agencies are not relevant to this Public Hearing.

By way of background, after consideration of the Application received from the Company, the members of the Agency adopted a resolution on December 14, 2015 (the "Public Hearing Resolution") authorizing, among other things, the Executive Director of the Agency to conduct this Public Hearing with respect to the Proposed Project pursuant to Section 859-a of the General Municipal Law.

The Executive Director of the Agency caused notice of this Public Hearing to be published on December 26, 2015 in the Press Republican, a newspaper of general circulation available to the residents of Town of Beekmantown, Clinton County, New York. In addition, as required by New York law, the notice of this Public Hearing was mailed on December 22, 2015 to the Town of Beekmantown, the Beekmantown Central School District and Clinton County. Further, a copy of the notice was posted on a bulletin board in the Town Hall of the Town of Beekmantown, Clinton County, New York on December 22, 2015 and also posted on the Agency's website on December 22, 2015.

Copies of the notice of this Public Hearing are available on the table.

Now, unless there is any objection, I am going to suggest waiving the full reading of the notice of this Public Hearing, and instead request that the full text of the notice of this Public Hearing be inserted into the record of this Public Hearing.

The comments received today at this Public Hearing will be presented to the members of the Agency at or prior to its meeting on January 20, 2016, which meeting, like all meetings of the Agency is open to the public, and at which the members of the Agency will consider whether to approve the undertaking of the Project by the Agency, the granting by the Agency of any "financial assistance" in excess of \$100,000 with respect to the Project.

### **Written Comments**

The notice of this Public Hearing indicated that written comments could be addressed to: Roseanne Murphy, the Executive Director of the Agency. All such written comments will be included in the public record presented to the Agency. In addition, for your convenience, the Agency will keep the public comment period for this Proposed Project open until January 8, 2016, so any written comments received by the close of business on January 8, 2016 will be included in the public record.

### **Remarks by the Company**

I will now introduce the representatives from the company, Mike Relyea representing Vermont Green Line and Joe Rossignoli representing National Grid.

Mike Relyea gave a brief overview of the project.

The proposed Vermont Green Line Project is a 60-mile long HVDC electricity line to transmit New York wind power and hydro into the New England market.

The proposed project plans to build a converter station in Beekmantown near the existing New York Power Authority's Plattsburgh substation, on a site of approximately five acres, located off the Jersey Swamp Road. The project plans to install about six miles of transmission cable in buried conduits in cooperation with private land owners, the County and NYS. There will also be approximately three miles of cable through Lake Champlain and into Vermont.

If the company is awarded the project the planned timeline includes completing the permitting process through the Public Service Commission in 2016-2017. Construction is slated to begin in late 2017 with operations to begin in 2020.

Initially the project will be co-owned by Anbaric and National Grid and in the end National Grid will be the sole owner.

Joe Rossignoli commented that there is intense competition in this RFP process. He stated that the project is seeking to determine the certainty of costs moving forward in order to provide the most competitive bid. He explained that if the project does not win the RFP this project will not move forward.

### **Open Public Hearing to the Floor for Comments**

By way of operating rules, we have asked that if you wish to make a public comment, please sign-up on the sign-up list on the table. I will then call on people from the list in order. Once I call on you, you should identify yourself for the record, including your place of residence, and then make your comments. Please speak clearly and slowly so that your comments can be recorded. I ask that you keep your comments to no more than three (3) minutes. If your comments are longer than three (3) minutes, we suggest that you prepare a written statement and we will include your written statement in the record.

I will now open this Public Hearing for public comment at 10:17 o'clock, a.m.

R. Murphy introduced Dan Mannix.

D. Mannix stated that he is the Superintendent of Beekmantown Central School District and he resides at 320 Rugar Street in Plattsburgh, NY. He commented that on behalf of the district he wished to thank the IDA, the project and the representatives of the taxing jurisdictions for all of their efforts to help this project move forward.

He stated that, at this time, the district is not quite in a position to give full support of the tax abatements. The district is working hard and will hopefully get to that position by their next full board meeting on January 19, 2016. He commented that in his opinion the success of this project would be a tremendous benefit to the school district, the tax payers and the students.

R. Murphy introduced Robert Davenport.

Robert Davenport stated that he is the owner of R&S Machine Shop and he resides at 44 Academy Street in West Chazy.

R. Murphy stated that with the help of the project representatives she will do her best to answer Mr. Davenport's questions as she is able and then she will get any additional information to Mr. Davenport after the meeting as necessary.

R. Davenport asked the following questions:

What value will this project provide to the Clinton County Tax Payers?  
What is the potential benefit in regard to the land and school tax rates?  
How many jobs will be created?  
Will these jobs go to local employees or will the jobs go to out of the area workers?  
Will the project put up more windmills or just a substation?  
Who will own the company?  
If the company defaults who is responsible?

Mr. Davenport stated that he has been in business for 26 years, and he has had to pay all of his own taxes. He said that people need to stop giving tax breaks to out of state companies that take their money back to their states.

R. Murphy noted that the project is seeking a PILOT (Payment in Lieu of Tax Agreement), they are seeking a sales tax exemption on construction materials and a mortgage recording tax abatement. There is no request for bond financing for this project. These transactions will be secured through a straight lease.

R. Murphy stated that the project application states there will be 149 construction jobs over three years and one or two full time jobs once construction has been completed. Mr. Davenport asked if those jobs would be filled by local labor or employees from out of the area. R. Murphy stated that the IDA encourages the use of local labor and the project signs an acknowledgement to that understanding. J. Rossignoli stated that if the contract was awarded to an out of the area construction company the request would be made for them to use local sub-contractors and local laborers.

Mr. Davenport asked if local tax payers will be getting relief on their own power bills.

R. Murphy stated that the IDA application contain language and acknowledgements signed by the project that stipulate if the project fails to meet the conditions of the agreements the Agency has the ability to stop all future assistance and/or request repayment of any benefits the project has received.

D. Mannix stated that the district has done an in-depth analysis of the projects requests and the PILOT does benefit the local tax payers. As the law stands now this PILOT immediately reduces taxes by as much as \$2/assessed \$1000 which is a real benefit to the tax payer. The PILOT will result in a smooth and controlled tax rate for a significant period of time.

R. Murphy stated that the project will pay an estimated \$88, 749,352 in PILOT payments. The project is requesting \$8.5 million in sales tax exemptions for construction materials and if there is a mortgage the mortgage recording tax abatement would be 1% or \$2 million dollars.

Mr. Davenport had no further questions.

R. Murphy introduced William Van Stockum.

William Van Stockum stated that he resides at 252 Duquette Road in West Chazy.

Mr. Van Stockum stated that the Beekmantown taxes are relatively low and a portion of the towns financing comes from sales tax. He asked how this PILOT would benefit the school and County taxes for the Town of Beekmantown, specifically. D. Mannix explained that some of the money would go to the school and some would go to "non-school" areas. There would be approximately \$5.3 million in revenue to the Town over the 20 years. Mr. Van Stockum asked what the Town would receive in 2017, J. Rossignoli explained this matter is still in negotiations and has yet to be determined.

R. Murphy explained that this will depend on how the project is structured. At times the construction company will own the project during construction. The project is looking for fixed prices to control the bid. The calculations would come from a partial assessments during construction and then that would be paid to the taxing jurisdictions.

R. Murphy stated that the project application is posted on the Agency website for review.

**Formal closure of the public hearing**

So, if there are no further comments, I will now close this Public Hearing at 10: 42 o'clock, a.m. Thank you all for attending.

Transcribed by  
Barbara Shute  
Executive Assistant

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