

**PILOT DEVIATION NOTICE RESOLUTION
CHPE LLC PROJECT**

A regular meeting of County of Clinton Industrial Development Agency (the "Agency") was convened in public session in the offices of the Agency located at 137 Margaret Street, Suite 209 in the City of Plattsburgh, Clinton County, New York on October 14, 2020 at 12:00 o'clock p.m., local time.

The meeting was called to order by the (Vice) Chairperson of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

Trent Trahan	Chairperson
David Hoover	Vice Chairperson
Michael E. Zurlo	Secretary
Kim Murray	Assistant Secretary
Keith Defayette	Treasurer
John VanNatten	Member

Each of the members present participated in the meeting telephonically pursuant to Executive Order No. 202.1, as supplemented, issued by New York State Governor Andrew M. Cuomo, suspending provisions of Article 7 of the Public Officers Law that require public in-person access to public meetings and authorizing board members to participate in said meetings by conference call or similar service.

ABSENT:

Mark Leta	Member
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AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Renee McFarlin	Executive Director
Toni Moffat	Executive Assistant
Christopher C. Canada, Esq.	Agency Counsel

The following resolution was offered by J. VanNatten, seconded by K. Murray, to wit:

Resolution No. 10-20-06

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SEND A LETTER TO THE CHIEF EXECUTIVE OFFICERS OF THE AFFECTED TAXING ENTITIES INFORMING THEM OF A PROPOSED DEVIATION FROM THE AGENCY'S UNIFORM TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED CHPE LLC PROJECT.

WHEREAS, County of Clinton Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 225 of the 1971 Laws of New York, as amended, constituting Section 895-f of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing,

warehousing, research, commercial and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more “projects” (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, in October, 2020, CHPE LLC, a New York State limited liability company (the “Company”) submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest or interests in various parcels of land spanning across 335 miles of land in the Village of Rouses Point, Town of Champlain, Town of Chazy, Town of Beekmantown, Town of Plattsburgh, Town of Peru, and Town of Ausable, Clinton County, New York (collectively, the “Land”), (2) the construction, installation and equipping on or under the Land of a fully-buried, up to 1,250-megawatt (“MW”) HVDC electric transmission line and related infrastructure (collectively, the “Improvements”) and (3) the acquisition and installation thereon and therein of certain related machinery and equipment, including but not limited to, two (2) five-inch diameter high-voltage direct current (“HVDC”) transmission cables (collectively, the “Equipment”) (the Land, the Improvements and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be used and operated by the Company as a portion of an electric power transmission line from the U.S.-Canada border to New York City; (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; and

WHEREAS, by resolution adopted by the members of the Agency on October 14, 2020 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on October 14, 2020 (the “Preliminary SEQR Resolution”), the Agency (A) determined (1) that the Project involves more than one “involved agency”, and (2) that, the Agency wished to investigate the advisability of undertaking a coordinated review with respect to the Project and (B) authorized the Executive Director of the Agency to contact all other “involved agencies” for the purpose of ascertaining whether such “involved agencies” were interested in undertaking a coordinated review of the Project and, if so, designating a “lead agency” with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, in connection with the Application, the Company made a request to the Agency (the “Pilot Request”) that the Agency deviate from the Agency’s Uniform Tax Exemption Policy (the “Policy”) by providing a fixed payment per year for a term of 30 years based on the generating capacity of the Project Facility expressed in a dollar per calculations based on the estimated cost of line per mile; and

WHEREAS, the Policy provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: the Company would have the benefit of a 50% abatement in real property taxes on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law (collectively with the Facility, the "Improvements") in year one of the payment in lieu of tax agreement with a five percent per year increase over the term of the ten year payment in lieu of tax agreement; and

WHEREAS, pursuant to Section 874(4) of the Act, prior to taking final action on such Pilot Request for a deviation from the Agency's Policy, the Agency must give the chief executive officers of the County and each city, town, village and school district in which the Project is located (collectively, the "Affected Tax Jurisdictions") no fewer than thirty (30) days prior written notice of the proposed deviation from the Agency's uniform tax exemption policy and the reasons therefore; and

WHEREAS, pursuant to Section 856(15) of the Act, unless otherwise agreed by the Affected Tax Jurisdictions, payments in lieu of taxes must be allocated among the Affected Tax Jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each Affected Tax Jurisdiction had the Project Facility not been tax exempt due to the status of the Agency;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF COUNTY OF CLINTON INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Having considered both the Application and the Pilot Request, the Agency hereby authorizes the Executive Director of the Agency to send a written notice to the chief executive officers of each of the Affected Tax Jurisdictions informing them that the Agency is considering a proposed deviation from its uniform tax exemption policy with respect to the Project and the reasons therefore (in substantially the form of the draft of said letter attached hereto as Exhibit A), and soliciting any comments that such Affected Tax Jurisdictions may have with respect to said proposed deviation.

Section 2. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Trent Trahan	VOTING	YES
David Hoover	VOTING	YES
Michael E. Zurlo	VOTING	YES
Kim Murray	VOTING	YES
Keith Defayette	VOTING	YES
Mark Leta	VOTING	EXCUSED
John VanNatten	VOTING	YES

The foregoing Resolution was thereupon declared duly adopted.


STATE OF NEW YORK)
) SS.:
COUNTY OF CLINTON)

I, the undersigned (Assistant) Secretary of County of Clinton Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on October 14, 2020 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law") except as modified by Executive Order 202.1, as supplemented, said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present, either in-person or appearing telephonically in accordance with Executive Order 202.1, as supplemented, throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

14th IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this day of October, 2020.


(Assistant) Secretary

(SEAL)

EXHIBIT A

PROPOSED FORM OF PILOT DEVIATION LETTER

-SEE ATTACHED-

DRAFT FOR DISCUSSION PURPOSES ONLY
DATED: OCTOBER 14, 2020

COUNTY OF CLINTON INDUSTRIAL DEVELOPMENT AGENCY
137 Margaret Street, Suite 209
Plattsburgh, New York 12901
Tel: 518-565-4627
Fax: 518-565-4616

_____ October , 2020

SEE ATTACHED TAXING ENTITY
DISTRIBUTION LIST

RE: Proposed Deviation from Uniform Tax Exemption Policy by
County of Clinton Industrial Development Agency
in connection with its Proposed CHPE LLC Project

Dear Ladies and Gentlemen:

This letter is delivered to you pursuant to Section 874(4)(c) of the General Municipal Law.

In October, 2020, County of Clinton Industrial Development Agency (the "Agency") received an application (the "Application") from CHPE LLC (the "Company"), which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project to consist of the following: (A) (1) the acquisition of an interest or interests in various parcels of land spanning across 335 miles of land in the Village of Rouses Point, Town of Champlain, Town of Chazy, Town of Beekmantown, Town of Plattsburgh, Town of Peru, and Town of Ausable, Clinton County, New York (collectively, the "Land"), (2) the construction, installation and equipping on or under the Land of a fully-buried, up to 1,250-megawatt ("MW") HVDC electric transmission line and related infrastructure (collectively, the "Improvements") and (3) the acquisition and installation thereon and therein of certain related machinery and equipment, including but not limited to, two (2) five-inch diameter high-voltage direct current ("HVDC") transmission cables (collectively, the "Equipment") (the Land, the Improvements and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to be used and operated by the Company as a portion of an electric power transmission line from the U.S.-Canada border to New York City; (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.

In connection with the Application, the Company has made a request to the Agency enter into a payment in lieu of tax agreement (the "Proposed Pilot Agreement") which terms would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy"). Capitalized terms not otherwise defined herein are defined in the Policy.

The Proposed Pilot Agreement would not provide any abatements for any special assessments levied on the Project Facility. The Proposed Pilot Agreement would be for a term of 30 years, with the Company making the payments in each year as a Pilot Payment to each Affected Tax Jurisdiction as follows:

**PILOT Abatement Schedule
Potential**

PILOT Agreement Year	Annual Taxes Otherwise Due	Abatement	PILOT Payment
Construction Years	\$0		\$0
1	\$3,719,033	75%	\$929,758
2	\$3,772,959	75%	\$943,240
3	\$3,827,667	75%	\$956,917
4	\$3,883,168	75%	\$970,792
5	\$3,939,474	75%	\$984,869
6	\$3,996,597	70%	\$1,198,979
7	\$4,054,547	70%	\$1,216,364
8	\$4,113,338	70%	\$1,234,002
9	\$4,172,982	70%	\$1,251,895
10	\$4,233,490	70%	\$1,270,047
11	\$4,294,876	65%	\$1,503,206
12	\$4,357,151	65%	\$1,525,003
13	\$4,420,330	65%	\$1,547,115
14	\$4,484,425	65%	\$1,569,549
15	\$4,549,449	65%	\$1,592,307
16	\$4,615,416	60%	\$1,846,166
17	\$4,682,339	60%	\$1,872,936
18	\$4,750,233	60%	\$1,900,093
19	\$4,819,112	60%	\$1,927,645
20	\$4,888,989	60%	\$1,955,596
21	\$4,959,879	50%	\$2,479,940
22	\$5,031,797	50%	\$2,515,899
23	\$5,104,759	50%	\$2,552,379
24	\$5,178,778	40%	\$3,107,267
25	\$5,253,870	40%	\$3,152,322
26	\$5,330,051	40%	\$3,198,031
27	\$5,407,337	30%	\$3,785,136
28	\$5,485,743	20%	\$4,388,594
29	\$5,565,286	10%	\$5,008,758
30	\$5,645,983	5%	\$5,363,684

The Policy provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: the Company would have the benefit of a 50% abatement in real property taxes on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law (collectively with the Facility, the "Improvements") in year one of the payment in lieu of tax agreement with a five percent per year increase over the term of the ten year payment in lieu of tax agreement.

The purpose of this letter is to inform you of such Pilot Request and that the Agency is considering whether to grant the Pilot Request and to approve a Proposed Pilot Agreement conforming to the terms of the Pilot Request. The Agency expects to consider whether to approve the terms of the Proposed Pilot Agreement at its meeting scheduled for _____, 2020 at 12:00 p.m., local time at the offices of the Agency located at 137 Margaret Street, Suite 209 in the City of Plattsburgh, Clinton County, New York (the "Meeting"). This letter is forwarded to you for purposes of complying with Section 874 of the General Municipal Law of the State of New York, which requires a thirty (30) day notice prior to the Agency taking final action with respect to the Proposed Pilot Agreement (if said Proposed Pilot Agreement may deviate from the provisions of the Agency's Uniform Tax Exemption Policy).

The Agency considered the following factors in considering the proposed deviation:

1. **The nature of the Project:** Electric power transmission line.
2. **The present use of the property:** _____.
3. **The economic condition of the area at the time of the request of the Company and the economic multiplying effect that the Project will have on the area:** _____.
4. **The extent to which the Project will create or retain permanent, private sector jobs and the number of jobs to be created or retained and the salary range of such jobs:** _____.
5. **The estimated value of new tax exemptions to be provided:** _____.
6. **The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions:** _____.
7. **The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity:** _____.
8. **The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement:** _____.
9. **The effect of the Proposed Pilot Agreement on the environment:** _____.
10. **Project Timing:** The Project is due to start in March, 2021 and completed in 2025.
11. **The extent to which the Proposed Pilot Agreement will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services:** _____.
12. **Anticipated tax Revenues:** _____.
13. **The extent to which the Proposed Pilot Agreement will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the Project Facility is located:** _____.

The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Agency's Uniform Tax Exemption Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Agency's Uniform Tax Exemption Policy. In accordance with Section 874(4)(c) of the General Municipal Law, prior to taking final action at the Meeting, the Agency will review and respond to any written comments received from any affected tax jurisdiction with respect to the proposed deviation. The Agency will also allow any representative of any affected tax jurisdiction present at the Meeting to address the Agency regarding the proposed deviation.

If you have any questions or comments regarding the foregoing, please do not hesitate to contact me at the above telephone number.

Sincerely yours,

Renee McFarlin
Executive Director

Distribution List of Taxing Entities for the
CHPE LLC Project

Clinton County Legislature

Honorable Mark R. Henry, Chairperson
Clinton County Legislature
Clinton County Government Center
137 Margaret Street, Suite 208
Plattsburgh, New York 12901

Village of Rouses Point
(within the Town of Champlain)

Jedidiah F. Thone, Mayor
Village of Rouses Point
139 Lake Street, PO Box 185
Rouses Point, NY 12979

Robb J. Garrand, School Superintendent
Northeastern Clinton Central School District
103 Route 276
Champlain, New York 12919

Stephen Southwick, School Board President
Northeastern Clinton Central School District
103 Route 276
Champlain, New York 12919

Town of Champlain

Larry Barcomb, Town Supervisor
Town of Champlain
P.O. Box 3144
729 Route 9
Champlain, NY 12919

Robb J. Garrand, School Superintendent
Northeastern Clinton Central School District
103 Route 276
Champlain, New York 12919

Stephen Southwick, School Board President
Northeastern Clinton Central School District
103 Route 276
Champlain, New York 12919

Town of Chazy

William Arthur, Town Supervisor
Town of Chazy
Chazy Town Hall
9631 State Route 9
Chazy, NY 12921

Scott Osborne, Superintendent of Schools
Chazy Central Rural School
609 Miner Farm Road
Chazy, NY 12921

Joey Trombley, School Board President
Chazy Central Rural School
609 Miner Farm Road
Chazy, NY 12921

Town of Beekmantown

Samuel R. Dyer, Town Supervisor
Town of Beekmantown
Town of Beekmantown Town Hall
571 Spellman Rd.
West Chazy, NY 12992

Daniel Mannix, Superintendent of Schools
Beekmantown Central School District
37 Eagle Way
West Chazy, NY 12992

Cathy Buckley, School Board President
Beekmantown Central School District
37 Eagle Way
West Chazy, NY 12992

Town of Plattsburgh

(schools: Peru, Saranac and Beekmantown)

Michael S. Cashman, Town Supervisor
Town of Plattsburgh
151 Banker Road
Plattsburgh, NY 12901-7307

Javier Perez, Superintendent of Schools
Saranac Central School District
32 Emmons Street
Dannemora, New York 12929

Tracy Allen-Waite, School Board President
Saranac Central School District
32 Emmons Street
Dannemora, New York 12929

Town of Peru
(schools: Peru and Ausable)

Brandy McDonald, Town Supervisor
Town of Peru
3036 Main Street
Peru, New York 12972

Dr. Thomas Palmer, Superintendent of Schools
Peru Central School District
17 School Street
Peru NY 12972

Bonnie Berry, School Board President
Peru Central School District
17 School Street
Peru NY 12972

Town of Ausable
(schools: Peru and Ausable)

Sandy Senecal, Town Supervisor
Town of Ausable
111 Ausable Street
Keeseville, New York 12944

Paul D. Savage, II, Superintendent of Schools
Ausable Valley Central School District
1273 Route 9N
Clintonville, NY 12924

Robyn Pray, School Board President
Ausable Valley Central School District
1273 Route 9N
Clintonville, NY 12924