

CCIDA MEETING Minutes

March 21, 2018

8:00 a.m.

Present: W. Outwater , E. Larsen, G. Raymond, R. Gibbon, B. Burton

Absent:

Contract Staff: S. Craig, A. Larsen

Finance: M. Manzanero

Guest: S. Palmatier, S. Harris, S. Butler, B. Srinivasan (Distributed Sun)

I. Roll Call

Board Chair E. Larsen called the meeting to order at 7:58 a.m.

II. New Business

S. Craig discussed the Chenango-Norwich Solar (Subsidiary of Distributed Sun) application for benefits. The owners have proposed to begin construction in May 2018 if possible. They are seeking a PILOT agreement, sales and use tax abatement on equipment, and a mortgage recording tax abatement. While the project would not create permanent jobs in the county, there would be employment during the construction phase, the power generated would be made available to local households, and the project would include electric grid upgrades of approximately \$1 million.

W. Outwater said that while job creation is his greatest concern and criteria for assessing IDA projects, the public benefit created is reasonable. S. Craig said the PILOT payments, which will increase by 2% per megawatt generated every year over the 30 year period, is essentially tax money that otherwise wouldn't come in on unused land. It also creates little burden on local government or infrastructure.

E. Larsen asked S. Harris of the County Real Property Tax Services whether the approach being taken by the IDA was comparable to similar projects he was familiar with. S. Harris replied that there are a variety of approaches to solar projects at this point, in terms of benefit calculation by IDA's and local governments.

R. Gibbon asked whether the County worked in conjunction with the Town of Norwich assessor to make sure that there was agreement about the value of the property and project. S. Harris said that the County accepts the Town's assessments and its' the Towns responsibility to assess accurately.

E. Larsen asked if the formula being used to calculate the benefit was a standard used by anyone else. S. Harris replied that there is some discrepancy in valuation method. B. Srinivasan said that there isn't one firm assessment method in his experience of establishing solar arrays throughout the State and region, but theirs has been used for many projects.

S. Craig said that unlike most IDA projects the PILOT payment is calculated by multiplying the capitalization rate and net income rather than the typical calculation based on property assessment.

B. Srinivasan said that the reason for this in part is that the solar array is not a permanent installation and their lease with the property owners is subject to the owners' discretion. It is therefore difficult to base a long term benefit on the value of property not guaranteed to the company operating the facilities.

S. Craig asked B. Srinivasan to explain the reason for the payment calculation being tied to power generation by megawatt.

B. Srinivasan did.

Motion to approve the inducement resolution of the CCIDA to appoint Norwich-Chenango Solar, LLC. the agent of the agency in connection with a lease-leaseback transaction by B. Burton, seconded by R. Gibbon. Ayes all. Approved.

III. Treasurer's Report

S. Cwynar reviewed the February 28, 2018 Financial Statements with the board.

Upon review motion to approve the February 28, 2018 Treasurer's Report by W. Outwater, seconded by P. Raymond. Ayes All. Approved.

IV. Approval of Minutes

Upon review motion to approve the February 21, 2018 Regular Meeting Minutes by B. Burton, seconded by P. Raymond. Ayes all. Approved.

V. Bills & Invoices

E. Larsen asked why the economic development contribution included two months' payments. A. Larsen replied that the previous month's payment had not been processed at the time of the meeting.

E. Larsen noted an invoice from New York Susquehanna & Western and asked about the status of their ongoing signal work. S. Craig said that they are probably around 75% finished with signal work.

Upon review motion to approve the bills and invoices by W. Outwater, seconded by B. Burton. Ayes All. Approved.

VI. 2017 Audit

M. Manzanero presented a report on the CCIDA's 2017 annual audit. M. Manzanero mentioned several noteworthy items from the Statement of Net Position. Restricted cash is \$30,000. The railroad account contains around \$400,000. Much of that money is the IDA's, and only \$30,000 of that is the restricted cash which hasn't been spent.

M. Manzanero said that the Cascun Farm property was purchased and recorded as an asset the previous year. Mostert, Manzanero & Scott recorded the property as a capital asset as we're receiving payments on it through a lease agreement. There are current and long term portions as the property will eventually be owned by the Cascuns.

M. Manzanero said that accounts payable prior year was up due to railroad related payables.

A prior year adjustment was made under revenue which was related to the railroad project. Reimbursable expenses had been recorded as expenses only.

M. Manzanero briefly reviewed the schedules sent to IDA projects, which report job creation and other project-related information.

M. Manzanero said there was one deficiency carried over from last year related to grant revenues and receivables. E. Larsen asked how this issue was or should be resolved. M. Manzanero said that payables and receivables should be more fully reviewed with contract staff completing financials.

M. Manzanero briefly reviewed the report to the board.

Motion to approve audit by B. Burton, second by P. Raymond. Ayes all. Approved.

VII. Old Business Last

S. Craig discussed Cascun Farm. They have encountered difficulty in securing a loan, due to inability to collateralize their property, which is owned by the IDA. They may restructure their project, which would entail purchasing the building, tearing it down, and rebuilding in a more collateral-friendly manner.

S. Craig discussed the ongoing downtown Norwich hotel project. A meeting between several stakeholders was held at the Commerce Chenango offices.

VII. Adjournment

Motion to adjourn by B. Burton, seconded by W. Outwater. Ayes All. Meeting adjourned at 8:47 a.m.