



## COUNTY OF CHENANGO INDUSTRIAL DEVELOPMENT AGENCY UNIFORM TAX EXEMPTION POLICY

Pursuant to and in compliance with §874 of the General Municipal Law of the State of New York, as amended by Chapter 356, §17 of the 1993 Sessions Laws, the County of Chenango Industrial Development Agency does hereby adopt the following policy to be known as “UNIFORM TAX EXEMPTION POLICY”.

### I

#### APPLICABILITY

This policy shall be applicable to all grants of financial assistance by the Agency pursuant to §859-a of the General Municipal Law to project applicants. The term “financial assistance” as used herein shall mean real property tax exemptions, mortgage tax exemptions and sales or use tax exemptions authorized pursuant to §874 of the General Municipal Law and §412-a of the Real Property Tax Law, as existing and as amended in the future from time to time.

### II

#### TYPES OF PROJECTS

This policy shall be applicable to any proposed project which the Agency is authorized by law to undertake and shall be applicable to all property, both real and personal, acquired by the Agency or under its jurisdiction, control, or supervision. Examples of eligible projects include industrial projects (i.e., warehouse, wholesale/distribution, office, infrastructure, commercial/retail, hotel, clean renewable energy etc. and any other project permitted under applicable law).

### III

#### GUIDELINES

In determining whether a project applicant shall be granted an exemption from real property taxes, mortgage recording taxes and sales or use taxes, the Agency shall consider the following factors:

- a. The extent to which a project will create or retain permanent, private sector jobs in Chenango County.
- b. The estimated value of any tax exemptions to be provided.
- c. Whether affected tax jurisdictions shall be reimbursed by the project occupant if a project does not fulfill the purposes for which an exemption was provided.
- d. The impact of the proposed project on existing and proposed businesses and economic development projects in the vicinity of the proposed project.
- e. The amount of the private sector investment generated or likely to be generated by the proposed project.
- f. The demonstrated public support for the proposed project.
- g. The likelihood of accomplishing the proposed project in a timely fashion.
- h. The effect of the proposed project on the environment.
- i. The extent to which the proposed project will require the provision of additional services, including, but not limited to additional educational transportation, police, emergency medical or fire services.

- j. The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts.

#### IV

##### EXTENT OF EXEMPTION

After due consideration of the aforesaid guidelines, the Agency shall determine to grant no exemption, a total exemption or a partial exemption from one or more of the aforesaid taxes. When the Agency determines to grant a total exemption, it shall so notify the chief executive official of each affected tax jurisdiction within 15 days of the making of the determination. When the Agency determines to grant a partial exemption from one or more of the aforesaid taxes, it shall require the project applicant to enter into a payment in lieu of tax agreement (PILOT) with each of the affected tax jurisdictions. The term "affected tax jurisdiction" as used herein, shall mean any municipality or school district in which a project is located, which will fail to receive real property tax payments, or other tax payments which would otherwise be due, except for the tax-exempt status of the Agency involved in the project.

#### V

##### PILOT AGREEMENT

When the Agency requires a PILOT agreement, the Agency shall determine whether said agreement shall be negotiated by the Agency on behalf of a project applicant or by the project applicant itself.

(1) The following guidelines shall govern the form and substance of a PILOT agreement:

- a. Each PILOT agreement shall be in writing and signed by a duly authorized official of the affected tax jurisdiction and the party agreeing to make payments in lieu of taxes.

- b. The PILOT agreement, in addition to such other terms as the parties may agree, shall state:

- i. The type of taxes for which payments in lieu thereof are to be made;

- ii. The percentage of exemption;

- iii. The period of the exemption;

- iv. The amount due annually to each affected tax jurisdiction or a formula by which the amount due can be calculated:

- v. The procedure for the making of the payments in lieu of taxes and the procedure for remitting the payment to each affected tax jurisdiction, together with the name and address of the person, office or agency to which payment shall be delivered. Payments in lieu of taxes received by the Agency shall be remitted to each affected tax jurisdiction within thirty days of receipt.

- vi. The date on which payment shall be made and the date on which payment shall be considered delinquent and subject to penalty and interest if not paid. Payments in lieu of taxes which are delinquent or not remitted shall be subject to a late payment penalty of five percent of the amount due which shall be paid by the project occupant (where taxes are delinquent because of the occupant's failure to remit to the affected tax jurisdiction at the time the payment in lieu of taxes is paid). For each month, or part thereof, that the payment in lieu of taxes is delinquent beyond the first month, interest shall accrue to and be paid to the affected tax jurisdiction on the total amount due plus a late payment penalty in the amount of one percent per month until the payment is made.

(2) Unless otherwise agreed by the affected tax jurisdictions, the agreement shall provide that payments in lieu of taxes shall be allocated among 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 not been tax exempt due to agency involvement in the project.

(3) The Agency shall submit to the assessor of the affected tax jurisdiction on or before the taxable status date an application for exemption on form EA-412-a with a copy of the PILOT agreement attached thereto.

(4) The Agency shall mail a copy of the PILOT agreement and a copy of the form EA-412-a to the chief elected official of each school district, city, county, town and village within which the project is located within 15 days of signing or before the taxable status date for the year for which the exemption is first claimed, whichever is sooner.

(5) The term "payment in lieu of taxes" as used herein, shall mean any payment made to the Agency, or affected tax jurisdiction equal to the amount, or a portion of, real property taxes, or other taxes, which would have been levied by or on behalf of an affected tax jurisdiction if the project was not exempt by reason of Agency involvement.

(6) Administrative Fee. In those instances where a PILOT agreement requires the project applicant to remit its payments in lieu of taxes to the Agency, an administrative fee may be charged the project applicant by the Agency. The amount of such fee shall be as mutually agreed by the Agency and the payment applicant.

## VI

### DEVIATION FROM POLICY

It is the intent of the Agency to adhere to these guidelines in all cases. However, in recognition of the possibility that special circumstances may arise requiring a deviation from this policy, a project applicant may make a request to be granted an exemption from one or more provision of this policy. Such a request shall be in writing to the Agency and the applicant shall set forth in specific language the provisions from which the applicant is seeking a deviation and the specific reasons, therefore. The Agency shall require the applicant to furnish such data and information as it deems necessary to enable the Agency to determine whether the requested deviation should be granted or denied.

The Agency shall set forth in writing the reasons for a deviation from this policy and shall notify the affected taxing jurisdictions of the deviation from policy and the reasons, therefore.

## VII

### REAL PROPERTY APPRAISALS

Since the policy of the agency is to base the value of a Project for payment in lieu of tax purposes on a valuation of such Project performed by the local Assessor, normally a separate real property appraisal is not required. However, the Agency may require the submission of a real property appraisal if,

- i. The Assessor of any particular Affected Tax Jurisdiction requires one, or
- ii. If the valuation of the project for payment in lieu of tax purposes is based on a value determined by the Project Operator, rather than by an Assessor for a Taxing Jurisdiction or by the Agency.

If the Agency requires the submission of a real property appraisal, such appraisal shall be prepared by an independent MAI certified appraiser acceptable to the Agency.

The Project Operator shall be responsible for paying for the cost of hiring said appraiser.

VIII  
REAL PROPERTY TAX ABATEMENT SCHEDULE

The following two schedules will be the standard utilized for real property tax abatements. Targeted industries, manufacturing companies and other high priority projects will follow Schedule A. Commercial/Retail/Office/Community Facilities/Not-for-Profits will follow Schedule B.

**Schedule A. Targeted Industries/Manufacturing**

Year	Exempt
1	95%
2	85%
3	75%
4	65%
5	55%
6	45%
7	35%
8	25%
9	15%
10	5%

*This would result in a fifty (50%) percent total exemption during the 10-year period.*

**Schedule B. Commercial/Retail/Office/Community Facilities/Not-for-Profits**

Year 1	50%
Year 2	45%
Year 3	40%
Year 4	35%
Year 5	30%
Year 6	20%
Year 7	10%
Year 8 & after	0%

Commercial Solar Projects

The following will be the standard utilized for Property Tax Abatements for Commercial Solar Projects (Hereinafter “Solar Projects). The terms of the Property Tax Abatement shall be described as follows:

- a. The amount of the PILOT payment shall be determined by the Agency as follows:
  - (i) the actual installed capacity of the Commercial Solar Project pursuant to the PILOT Agreement, times
  - (ii) the Base Megawatt Amount, \$4,000.00 per megawatt.
- b. The agency may take into account the amount of any host community benefit payments payable by the project applicant to an Effected Jurisdictions, or in connection with the funding of the Community Economic Development Fund, in determining the amount of PILOT payments payable by the project applicant.

- c. The Agency may take into account the degree to which the applicant has worked with neighboring property owners to minimize viewshed or other detrimental impact on property values.
- d. The term of the PILOT Agreement shall be 20 years.
- e. The PILOT payment determined above shall be increased annually by 2.0% during the term of the PILOT Agreement.
- f. The PILOT Agreement will provide that if the existing assessment of the underlying parcel and existing improvements relating to the Commercial Solar Project does not remain fully taxable on the relevant assessment rolls, the PILOT Agreement shall require that PILOT payments be made with respect to such underlying parcel and existing improvements in an amount equal to 100% of the normal tax with respect thereto.
  - a. Note the following defined terms:

“Base Megawatt Amount” means the megawatt amount used by the Agency in calculating the PILOT payments. The Base Megawatt Amount as provided in this UTEP shall initially be equal to \$4,000.00, and such amount shall be fixed for the term of each PILOT Agreement; provided, however, that the Base Megawatt Amount as provided in the UTEP shall be subject to review by the Agency at least annually.

“Commercial Solar Facility” means a group of solar panels and related facilities in the same location intended to be used for the production of electric power to be sold to third parties but shall not include a Small Alternate Energy Facility. In the event of a question whether a solar facility is a Small Alternate Energy Facility or a Commercial Solar Facility, the determination of the Agency on that subject shall be final. A Commercial Solar Facility includes all related equipment determined by the Agency to be necessary or desirable for collecting such electric energy and delivering same to the electric grid but shall not include the land and improvements that were included on the tax rolls of the Affected Tax Jurisdictions prior to the commencement of the project of which such Commercial Facility is a part. A Commercial Solar Facility is a facility providing electric energy on a commercial scale and shall include Community Solar Projects.

“Small Alternate Energy Facility” means a facility (1) that is determined by the Agency to be a facility described in Section 487(1) of the Real Property Tax Law (including solar or wind energy equipment, a solar or wind energy system, farm waste electric generating equipment, and a farm waste energy system), (2) that is installed or to be installed in a residence, a farm or a small business located within Chenango County and (3) that is not a Commercial Solar Facility.

“Affected Jurisdictions” means the municipalities and school district within which a project is located, including the appropriate town, Chenango County, and, if relevant, the appropriate village.

IX  
AGENTS

Agents of the Agency, project operators or agents of project operators shall annually file a statement with the NYS Department of Taxation and Finance, on a form and in such a manner as is prescribed by the Commissioner of Taxation and Finance, of the value of all sales and use tax exemption claimed by such agents or agents of such agents or project operators, including, but not limited to, consultants or subcontractors of such agents or project operators. The penalty for failure to file such statement shall be the removal of authority to act as an agent of the Agency.

X  
FORFEITURE/RECAPTURE

The CCIDA shall periodically review the economic impact of each of the projects which is actively receiving financial assistance. This will be done sooner where it is obvious that significant deviation from the original intent of the project is realized.

All PILOT agreements will contain provisions that allow for the recapture of past, and cancellation of future tax abatements. In determining the extent of recapture or cancellation, the CCIDA shall consider the extent to which the company has met its proposed economic impacts.

The following policy concerning recapture of the abated taxes shall apply:

1. Sale or Closure of the Facility: The real property tax abatements are terminated immediately, and the property deeded back to the owner and/or the straight-lease transaction is terminated.
2. Significant Employment Reductions: The CCIDA may carefully examine employment reductions and in the event that the CCIDA finds that such reductions are temporary situation, the CCIDA may determine not to take any action. Should the CCIDA determine that such reductions are or may be permanent, then the real property tax abatement will be reduced by up to 100% and/or recapture of financial assistance can be pursued, at the discretion of the CCIDA and in consultations with the affected taxing jurisdictions.
3. Significant Change in the Use of Facility: If the change still is consistent with acceptable CCIDA policy and there is insignificant job loss, the CCIDA may determine not to take any action. If this change falls outside acceptable CCIDA policy, then the withdrawal of entire real property tax abatement and/or recapture of financial can be pursued at the discretion of CCIDA an in consultation with the affected tax jurisdictions.

XI  
AMENDMENT

This policy may be amended by resolution of the Agency. Whenever such amendment is proposed the Agency shall solicit input and comments from the affected tax jurisdictions.

XII  
EFFECTIVE DATE

This policy shall be effective immediately.