



June 9, 2017

VIA EMAIL

Hon. Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: Case _____ – **Request of SUN8 PDC LLC to Extend the Phase One NEM Term to 30 years for Multiple Community Distributed Generation Projects**

Dear Secretary Burgess:

Pursuant to the Order on Net Energy Metering Transition, Phase One of Value of Distributed Energy Resources, and Related Matters issued by the New York State Public Service Commission (“Commission”) on March 9, 2017 in Cases 15-E-0751 and 15-E-0082 (“VDER Order”)¹, SUN8 PDC LLC (“SUN8”), an affiliate of Distributed Sun LLC (“DSUN”), hereby requests that the Commission extend the term for compensation under the VDER Order’s Phase One net energy metering (“NEM”) compensation mechanism to 30 years for the following solar photovoltaic community distributed generation (“CDG”) projects (each a “Project” and, collectively, the “Projects”), each project being located in the service territory of New York State Electric and Gas Corporation (“NYSEG”):

- (a) two solar photovoltaic projects totaling 3.7 MW located on property on Town Line Road in Middlesex, New York (collectively, the “Middlesex Project”) (NYSEG Project Nos. 10769 and 10770); and
- (b) six solar photovoltaic projects totaling 12 MW located across various parcels in the Town of Dryden, New York (collectively, the “Ellis Project”) (NYSEG Project Nos. 7593, 7594, 7595, 10495, 10496, and 10497).

In addition, as described in more detail herein, SUN8 requests that the Commission conditionally extend the term for compensation under the VDER Order’s Value Stack Tariff

¹ Cases 15-E-0751 and 15-E-0082, In the Matter of the Value of Distributed Energy Resources, Order on Net Energy Metering Transition, Phase One of Value of Distributed Energy Resources, and Related Matters (issued March 9, 2017) (“VDER Order”).

compensation mechanism to 30 years for a third Project: six solar photovoltaic projects totaling 12 MW located in the Town of Spencer, New York, NYSEG Project Nos. 10787, 10993, 10994, 10995, 10996, and 10997 (collectively, the “Spencer Project”).

The Projects are at various stages of development. In some cases, long-term ground leases have been executed for properties on which the Projects will be sited. In other cases, Payment in Lieu of Taxes (“PILOT”) agreements have been executed with Industrial Development Agencies (“IDA”) to secure favorable tax treatment for the Projects. SUN8’s business model also includes forming a separate special purpose entity (“SPE”) for each Project, which SPE will finance, construct, and own that Project.

I. Background

The VDER Order sets forth the criteria for new net metered projects to be eligible for compensation under Phase One NEM, which is intended to provide projects with compensation approximately equal to what they would have received under existing NEM tariffs. For projects that are eligible for Phase One NEM compensation, the VDER Order provides for a compensation term length of 20 years from the project’s in-service date. The VDER Order further provides that developers or customers may file petitions requesting a Phase One NEM compensation term greater than 20 years “based on pre-existing financing or other contractual arrangements that contemplated a longer period.”²

The VDER Order specifies that this extension allowance is the same allowance provided for projects eligible for grandfathering into remote net metering monetary crediting pursuant to the Commission’s April 17, 2015 Order in Case 14-E-0151. There, the Commission stated that “while [the standard 25-year period for monetary crediting] should be sufficient for making most financial arrangements, ... developers may petition for an extension of the period, upon a showing that the contractual arrangement for financing a particular project cannot be accomplished within a 25-year period, and a longer period is necessary.”³

For projects that are eligible for Value Stack Tariff compensation, the VDER Order provides for a compensation term length of 25 years from the project’s in-service date.

Each Project is a CDG project, with the Middlesex Project and the Ellis Project eligible for Phase One NEM compensation, and the Spencer Project eligible for Value Stack Tariff compensation. Pursuant to the VDER Order, SUN8 hereby requests that the Commission grant

² VDER Order at 56.

³ Case 14-E-0151 *et al.*, Petition of Hudson Valley Clean Energy, Inc. for an Increase to the Net Metering Minimum Limitation at Central Hudson Gas & Electric Corporation, Order Granting Hearing in Part, Establishing Transition Plan, and Making Other Findings (issued April 17, 2015) (“Transition Plan Order”) at 9.

each Project an extension of their respective terms to 30 years from its in-service date. As explained herein, the extensions are needed to accommodate pre-existing financing and contractual arrangements for the Projects. Specifically, 30-year compensation terms are needed to match the 30-year PILOT agreements and 35-year ground leases for the properties on which the Projects will be sited and constructed. SUN8 also accepted NYSEG's cost estimates for the Projects, and entered into an interconnection agreement with NYSEG for each Project's line upgrades and delivery of service, based on a 30-year revenue expectation. The extensions are also needed to avoid materially affecting those agreements, which were entered into based on 30-year revenue projections. The extension also is consistent with the Commission's prior decisions granting monetary crediting term extensions to solar photovoltaic projects developed by SUN8's affiliate, DSUN, based on economic and financial considerations.

II. The Middlesex Project and the Ellis Project Have Pre-existing Financial and Other Contractual Arrangements Requiring an Extension of the Phase One NEM Compensation Term

Each Project utilizes the same third-party-ownership arrangement whereby the SPE invests all the capital to finance, develop, construct, and own the Project as a CDG project. The CDG project then obtains various subscribers who purchase the electricity generated thereby (and the corresponding NEM credits) at a predetermined rate ("Energy Payment Rate") for the term of the subscription to the CDG project. The financing and payment structure for each CDG project is developed such that the expected Energy Payment Rate from all subscribers, together with any tax credits or subsidies, are sufficient to provide an adequate return to the SPE at market rates on money invested over the life of the project, while providing sufficient value to each subscriber through NEM credits and bill savings.

The Energy Payment Rate is largely dependent on the value of the NEM credit itself. That is, a CDG project can only charge its subscribers an amount for the NEM credit value that is less than the actual value of the NEM credit. In order to encourage customers to subscribe to the CDG project, the subscribers must be able to ultimately save money on their bills. However, if the Energy Payment Rate is too low, the project will not be economically viable and investors will not be able to recoup their investments in the CDG projects.

For each of its prospective CDG projects, SUN8 determines an appropriate Energy Payment Rate based on the expected value of the NEM credits that will be generated over an assumed 30-year project lifetime. With declining incentive support and increasing solar equipment lifetimes, a 30-year revenue expectation from energy sales is a reasonable assumption. Other economic aspects of a CDG project also rely on such a 30-year revenue stream model. For example, SUN8 generally enters into 25-year ground leases with two additional 5-year extensions at SUN8's option based on an expected 30-year solar photovoltaic project revenue stream, and structures the corresponding rent payments and schedules based on that expected revenue. The expected 30-year revenue streams also factor into SUN8's decision to enter into PILOT

agreements for favorable tax treatment of its solar photovoltaic projects, and what PILOT terms are necessary to ensure a reasonable return over the life of the CDG project.

SUN8 has already entered into a number of lease agreements and PILOT agreements for the Projects. The economics of these agreements were based on the assumption that Phase One NEM compensation would be available over a period of thirty years. A shorter term for Phase One NEM compensation (*i.e.*, 20 years) for the Middlesex and Ellis Projects could materially affect the value of those contracts to SUN8, as well as jeopardize the financial viability of the Projects themselves. As such, an extension to 30 years for Phase One NEM compensation is necessary to ensure that the projects remain economic, and that the financial and other arrangements entered into by SUN8 are not unnecessarily frustrated by a shorter compensation term.

Additional details on the Middlesex and Ellis Projects are detailed below:

A. Middlesex Project (NYSEG Project Nos. 10769 and 10770)

The Middlesex Project consists of two solar photovoltaic arrays totaling 3.7 MW located across 22.6 acres of property in Middlesex, New York, which will be operated as a CDG project. The Project is expected to generate enough electricity to power the equivalent of more than 800 average New York homes.

On August 16, 2016, SUN8 executed a Site Lease Agreement with the owner of the aforementioned parcel to acquire a leasehold interest for the purpose of developing the Middlesex Project. Separately, on April 17, 2017, SUN8 submitted an Application for Financial Assistance with the Finger Lakes Economic Development Center (“FLEDC”), an IDA, requesting a 30-year PILOT term for the Middlesex Project.

Throughout the development process, SUN8 relied on a 30-year Phase One NEM compensation term to predict expected revenues and to generate a financeable return on investment for the Middlesex Project. Both the term of the Site Lease Agreement (an initial term of 25 years, with two 5-year extensions at SUN8’s option), as well as the rent schedule, are based on an estimated 30-year project life. Limiting the Phase One NEM compensation term to 20 years would therefore materially interfere with the revenue expectations of SUN8, jeopardize the financial stability of the Middlesex Project, and potentially result in the Middlesex Project not being built. To support a request for an extension of the Phase One NEM compensation term for the Middlesex Project to 30 years from the in-service date, SUN8 is submitting the following items which are attached as Exhibit A:

- (1) the recitals, term provision, and signature page of the Middlesex Project Site Lease Agreement.
- (2) the FLEDC PILOT Application for the Middlesex Project.

B. Ellis Project (NYSEG Project Nos. 7593, 7594, 7595, 10495, 10496, and 10497)

The Ellis Project consists of six solar photovoltaic projects totaling 12 MW across approximately 110 acres on parcels on and near Turkey Hill Road in the Town of Dryden, New York, which will be operated as a CDG project in conjunction with an additional two 2 MW and two 1 MW solar photovoltaic facilities receiving compensation under the Value Stack Tariff. The Ellis Project is expected to generate enough electricity to power the equivalent of more than 4,000 average homes. Once all approvals are secured, the Ellis Project likely will take six months to complete construction.

On March 17, 2017, SUN8 submitted an Application for Incentives with the Tompkins County IDA seeking a 30-year PILOT agreement for the Ellis Project.⁴ In connection with this application, SUN8 obtained a letter of endorsement from the Town of Dryden. SUN8's application was the subject of a Tompkins County IDA Board of Directors meeting on April 13, 2017, and is currently pending. In 2016, SUN8 also obtained a letter agreement with the landowner to pursue a 25-year lease with two 5-year extensions at SUN8's option. SUN8 is currently in the process of negotiating both an extension to that letter agreement and a definitive lease agreement for the relevant Project property.

SUN8's pursuit of a 25-year lease term (with extensions) with the landowner relies on estimated Project revenues over a 30-year period based on Phase One NEM compensation. The pending PILOT application also requests a 30-year term to remain aligned with SUN8's 30-year revenue stream analyses. However, absent a 30-year term for Phase One NEM compensation, the Ellis Project may not be financially feasible even if the Tompkins County IDA approves the PILOT application. To support a request for an extension of the Phase One NEM compensation term for the Ellis Project to 30 years from the in-service date, SUN8 is submitting the following items which are attached as Exhibit B:

- (1) the Tompkins County IDA PILOT Application for the combined 18 MW of solar generation.
- (2) a letter of endorsement from the Town of Dryden.⁵

⁴ The Application is for the combined 18 MW of solar photovoltaic generation.

⁵ The proposed letter agreement and lease agreement are subject to confidentiality protections and therefore are not attached to this petition.

III. A Conditional Extension of the Term for Value Stack Tariff Compensation is Warranted for the Spencer Project

In addition to the above-requested Phase One NEM compensation term extensions, SUN8 also requests that the Commission conditionally grant an extension to 30 years of the Value Stack Tariff compensation term for the Spencer Project. The Spencer Project (NYSEG Project Nos. 10787, 10993, 10994, 10995, 10996, 10997, 11661, and 11662)⁶ consists of eight solar photovoltaic arrays on three parcels located on VanEtten Road in the Town of Spencer, New York, which will be operated as a CDG project.

SUN8 is currently engaged in discussions with Department of Public Service Staff (“Staff”) and the New York State Energy Research and Development Authority (“NYSERDA”) to potentially replace the combined 15.7 MW capacity of the Middlesex and Ellis Projects with an equivalent capacity from the Spencer Project such that, once complete, the Spencer Project would receive compensation under Phase One NEM while the Middlesex and Ellis Projects would be converted to Value Stack Tariff compensation (the “Swap”). While not finalized, NYSEDA and Staff have both expressed interest in approving the Swap, the need for which is driven largely by the timing for municipal approvals.

The discussions with Staff and NYSEDA are still ongoing regarding a potential Swap which, if finalized, will result in the Spencer Project being compensated under Phase ONE NEM and requiring the same 30-year term that has been requested above for the Middlesex Project and the Ellis Project. A conditional extension to 30 years of the Spencer Project’s compensation term length is therefore warranted now to avoid an unnecessarily duplicative extension request in the future should the Swap be consummated.

The conditional extension is also warranted based on the pre-existing financial and other arrangements that SUN8 has entered into with respect to the Spencer Project, which arrangements may be frustrated absent the availability of a 30-year compensation term under either Value Stack Tariff or Phase One NEM compensation. Specifically, on September 28, 2016, SUN8 executed a Site Lease Agreement with the owner of the parcels described above to acquire leasehold interests in the parcels for the purpose of developing the Spencer Project. Separately, on May 4, 2017, SUN8 received written confirmation from the Tioga County IDA approving a 30-year PILOT request for the Spencer Project. Full operation is expected by December 31, 2017.

Similar to the Phase One NEM Projects described above, SUN8 relied on a 30-year revenue projection to predict a return on investment for the Spencer Project, and to establish the term and rent schedule of the Site Lease Agreement. Like with the Middlesex Project, both the Spencer

⁶ For interconnection applications 11661 and 11662, the NYSEG’s technical review and CESIR results were delivered to SUN8 on May 31, 2017. SUN8 is preparing to make the 25% Advance Payment to NYSEG.

Project Site Lease Agreement's term (an initial term of 25 years, with two 5-year extensions at SUN8's option) and the rent schedule were based on an estimated 30-year project life. Moreover, the Spencer Project already has been approved for a 30-year PILOT agreement for favorable tax treatment. Thus, these pre-existing financial arrangements for the Spencer Project warrant a 30-year compensation term. To support a request for an extension of the compensation term for the Spencer Project to 30 years from the in-service date, SUN8 is submitting the following items which are attached as Exhibit C:

- (1) the recitals, term provision, and signature page of the Spencer Project Site Lease Agreement.
- (2) the Tioga County IDA Cost/Benefit Analysis for the Spencer Project.
- (3) the May 3, 2017 Tioga County IDA Board resolution approving the Spencer Project PILOT.

IV. The Requested Relief is Consistent With Prior Commission Decisions Providing For Extended Net Metering Terms

The Commission previously approved 30-year remote net metering monetary crediting terms for solar photovoltaic projects developed by SUN8's affiliate, DSUN.⁷ In the Monetary Crediting Extension Order, the Commission stated that "because the financing arrangements for the projects cannot be accomplished within the 25-year period [for monetary crediting], a longer monetary crediting period is necessary...."⁸ The Commission further noted that "all of the PPAs that govern the development of the projects, as well as the purchases of the electricity they generate, are intended to provide SPEs with a return on their investments in the projects, while keeping the cost of energy reasonable for [the counterparty]" and that a shorter PPA term could affect the economic and financial viability of the projects for both DSUN and its counterparties.⁹ Therefore, the Commission granted a 30-year term for monetary crediting to DSUN's projects in that case "to accommodate the parties' contractual and financing arrangements."¹⁰

The same rationale can and should be applied with respect to the Projects which are being developed by affiliate companies using financial horizons that are consistent with the horizons approved in the Monetary Crediting Extension Order. As noted in Point I above, the Commission

⁷ See Case 16-E-0007, Petition of Distributed Sun LLC, Building Energy Development US, LLC, and Cornell University to Extend the Monetary Crediting Period to 30 Years for Five Solar Photovoltaic Projects, Order Granting Modified Relief and Making Other Findings (issued April 27, 2016) ("Monetary Crediting Extension Order").

⁸ Monetary Crediting Extension Order at 8.

⁹ *Id.* at 9.

¹⁰ *Id.* at 10.

explicitly modeled the allowed term extension in the VDER Order after the same allowance for projects eligible for grandfathering into monetary crediting pursuant to the Transition Plan Order. Therefore, the Commission should extend the VDER Order compensation terms to 30 years for the Projects. This is necessary to accommodate SUN8's existing financial and other arrangements which otherwise cannot be accomplished within the shorter 20-year term, and to avoid negatively affecting the economic viability of the Projects.

V. Need for Expedited Review

SUN8 respectfully requests that the Commission expedite its review of this request, and issue a decision granting each Project an extension of their compensation terms to 30 years by no later than June 23, 2017. Such expedited review is necessary because financing for the Projects largely depends on the availability of a 30-year term length for Phase One NEM compensation and, absent a final decision from the Commission, SUN8 will be unable to finalize agreements for the financing and construction of the Projects. In addition, some of the Projects are expected to commence construction in the near future, with commercial operations expected to be achieved prior to the end of 2017. In order to accommodate these upcoming milestones, expedited relief from the Commission is warranted.

VI. Conclusion

For the foregoing reasons, SUN8 respectfully requests that the Commission: (1) grant the Middlesex Project an extension of the term for Phase One NEM compensation to 30 years from its in-service date; (2) grant the Ellis Project an extension of the term for Phase One NEM compensation to 30 years from its in-service date; (3) grant the Spencer Project a conditional extension of the compensation term to 30 years from its in-service date in the event that the Swap is consummated, and (4) grant such extensions by no later than June 23, 2017.

Please do not hesitate to contact Jeff Weiss at (202) 255-3983 or jeff@distributedsun.com should you have any questions or require additional information.

Respectfully submitted,

Jeff Weiss

Jeff Weiss
Managing Director
SUN8 PDC, LLC

Attachments

cc: Mark Marini (via email; w/ att.)

EXHIBIT A

MIDDLESEX PROJECT DOCUMENTS

- 1. Site Lease Agreement (4 pages): recitals, signature page, and first two pages of Exhibit B. Lease Term set forth in Exhibit B.**
- 2. Finger Lakes Economic Development Center PILOT Application (15 pages): 30-year proposed PILOT term set forth on page 15.**

August 16

SITE LEASE AGREEMENT FOR SOLAR FACILITY

This SITE LEASE AGREEMENT FOR SOLAR FACILITY ("Lease" or "Agreement") is made as of August 16, 2016 (the "Effective Date") by and between Jeanette Daum ("Lessor") and SUN8 PDC, LLC, a Delaware limited liability company ("Lessee") (each a "Party," and collectively the "Parties.")

RECITALS:

A. Lessee desires to design, permit, construct, operate and maintain a solar energy facility that will generate electric power (the "Solar Facility") on a portion of property (the "Property") owned or leased by Lessor, more particularly identified in Exhibit A hereto, and commonly known as 4450 Town Line Road, Rushville, New York 14544.

B. Lessor desires to lease a portion of the Property to Lessee and to grant to Lessee certain appurtenant rights, all on the terms and conditions of this Lease, for the purposes of designing, permitting, constructing, operating and maintaining the Solar Facility on the Property (those portions of the Property on which Lessee locates any portion the Solar Facility shall be referred to herein as a "Solar Equipment Site" and collectively as the "Solar Equipment Sites").

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Lease. For and in consideration of the agreement of Lessee to pay Rent, and subject to the terms and conditions of this Lease, Lessor hereby leases to Lessee, and Lessee does hereby lease from Lessor, the Property and the Solar Equipment Sites as follows:

(a) During the Development Term, Lessor shall lease the entire Property to Lessee for the purpose of designing and permitting the Solar Facility and to allow Lessee to conduct development activities related to the Solar Facility;

(b) During the Construction Term, Lessor shall lease one or more portions of the Property known as the "Construction Sites," as more particularly described in Exhibit A-1, to be updated prior to the commencement of the Construction Term, for the purpose of constructing the Solar Facility; and


(c) During the Operations Term, Lessor shall lease to Lessee the Solar Equipment Sites, as further described on Exhibit A-2, to be updated prior to the commencement of the Operations Term for the purpose of, constructing, operating and maintaining the Solar Facility.

(d) In addition, Lessor grants to Lessee the appurtenant rights of ingress to and egress from the Solar Equipment Sites as provided in Section B-1.

2. Rent. To compensate Lessor for the Lease, Lessee shall pay rent as follows:

IN WITNESS WHEREOF, the Parties have executed this Lease as of the Effective Date.

LESSOR:

By: 

Name: Jeanette Daum

Title: _____

LESSEE:

SUN8 PDC, LLC

By: 

Name: Jeff Weiss

Title: Authorized Person for SUN8 PDC, LLC
& Managing Director of Distributed Sun LLC

EXHIBIT B

General Terms and Conditions

B-1. Use of Solar Equipment Site; Construction and Operation of the Solar Facility

(a) **Consent.** Lessor hereby consents to the construction of the Solar Facility by Lessee on the Construction Sites and the Solar Equipment Sites, including without limitation, solar panels and related equipment, support structures, solar panel mounting, racking, substrates or supports, wiring and connections, power inverters, service equipment, metering equipment and utility interconnection equipment.

(b) **General Access.** Lessor shall provide Lessee with access to the Property and each Solar Equipment Site as necessary to allow Lessee to design, permit, construct, operate and maintain the Solar Facility, including ingress and egress rights to any Solar Equipment Site for Lessee and its employees, contractors and subcontractors and access to solar panels and conduits to interconnect the Solar Facility with the Property's electrical wiring. Lessor shall use commercially reasonable efforts to provide sufficient space for the temporary storage and staging of tools, materials and equipment and for the parking of construction crew vehicles and temporary construction trailers and facilities as reasonably necessary. Lessor shall provide Lessee a reasonable area for construction laydown. Lessor and its authorized representatives shall at all times have access to and the right to observe the installation work, subject to compliance with Lessee's safety rules, but shall not interfere with such installation work or handle any Lessee equipment or the Solar Facility without written authorization from the Lessee.

(c) **Ingress and Egress Easement.** It is understood and acknowledged by Lessee that the Property may not have direct access to an existing public right-of-way. Therefore, Lessor grants to Lessee any and all easement rights for ingress and egress to the Property to the full extent of Lessor's right to grant such rights, and Lessee further grants the right to Lessee to cross the Property as reasonably necessary to access the Solar Equipment Sites.

(d) **Consent to Appurtenant Rights.** Lessee shall also have the right from time to time during the Term to: (i) design, permit, construct, install, and operate the Solar Facility, (ii) maintain, clean, repair, replace and dispose of part or all of the Solar Facility, (iii) add or remove the Solar Facility or any part thereof, (iv) access the Property and the Solar Equipment Sites with guests for promotional purposes during customary business hours and at other times as are acceptable to Lessor in its reasonable business judgment, and (v) perform all tasks necessary or appropriate, as reasonably determined by Lessee, to carry out the activities permitted in this Lease.

B-2. Term and Termination. The term ("Term") of this Lease shall be as follows:

(a) **Development Term.** The initial development term ("Development Term") shall commence on the Effective Date hereof and shall expire on the earlier of the commencement of the Construction Term or termination of Lease. The Development Term shall be for an initial period of eighteen (18) months from the Effective Date; *provided, however*, Lessor and Lessee may mutually agree in writing to extend the Development Term for an additional one (1) year term.

(b) Construction Term. Lessee shall have the right to extend the lease to provide for construction of the Solar Facility (the "Construction Term"). The Construction Term shall commence on the date specified in a written notice to Lessor that Lessee elects to initiate the Construction Term as of a date so specified in such notice. The Construction Term shall expire on the earlier of the commencement of the Operations Term or termination of Lease. The Construction Term shall be for an initial period of one (1) year from the commencement of the Construction Term. Lessor and Lessee may mutually agree in writing to extend the Construction Term for an additional one (1) year term by written notice to the Lessor. Lessee shall have the unilateral right to terminate this Lease at any time during the Construction Term without penalty, subject to removal obligations of Section B-6(g), upon written notice to Lessor; provided, however, that in the event of such termination, the Lessor is entitled to retain all payments made by Lessee prior to the date of such termination.

(c) Operations Term. Lessee shall have the right to extend the Lease to provide for operation of the Solar Facility (the "Operations Term"). The Operations Term shall commence on the date specified in a written notice to Lessor that Lessee elects to initiate the Operations Term as of a date so specified in such notice. The Operations Term shall be for an initial period of twenty-five (25) years from the Commercial Operations Date. Lessee shall have the unilateral right to extend the Operations Term for two (2) additional five (5) year periods on the same terms herein upon written notice to the Lessor. Lessee shall have the unilateral right to terminate this Lease at any time during the Operations Term without penalty, subject to the removal obligations in Section B-6(g), upon written notice to Lessor; *provided, however*, that in the event of such termination, the Lessor is entitled to retain all payments made by Lessee prior to the date of such termination.

(d) Termination. Lessee shall have the unilateral right to terminate this Lease at any time during the Term without penalty, subject to the removal obligations in Section B-6(g) upon written notice to Lessor; *provided, however*, that in the event of such termination, the Lessor is entitled to retain all payments made by Lessee prior to the date of such termination. Lessor shall not have the right to terminate the Lease.

B-3. Payment Terms.

(a) Except for the initial payment of Development Term Rent, which shall be paid to Lessor within three Business Days of the Effective Date, all payments of Rent shall be made quarterly, commencing upon the last calendar day of the month that is ninety (90) days after the date on which the prior payment was made, and continuing in such manner until the termination of the Lease.

(b) Rent payments shall be made by check and sent to the address set forth in Section 4, or another address provided to Lessee in writing.

(c) In the event of a payment dispute, Lessee shall have the obligation to pay any undisputed portion of the Rent

B-4. Protection of Insolation and Solar System.



Finger Lakes
Economic Development Center

Application for Financial Assistance

A) Applicant Information:

Applicant Name: SUN8 PDC LLC

Applicant Address: c/o Distributed Sun, 601 13th Street NW, Suite 450 South, Washington DC 20005

Phone: (978) 319-0683

Fax: 202-559-6060

Website: www.distributedsun.com

E-mail: bharath@distributedsun.com

Federal ID#: 81-3783195

NAICS: 221114

State and Year or Incorporation/Organization: 8/8/2016

Will a Real Estate Holding Company be utilized to own the Project property/facility? Yes or No

What is the name of the Real Estate Holding Company: _____

Federal ID#: _____

State and Year or Incorporation/Organization: _____

B) Individual Completing Application:

Name: Bharath Srinivasan

Title: Senior Vice President of Operations

Address: 601, 13th Street, NW, Suite 450 South, Washington DC 20005

Phone: 978-319-0683

Fax: 202-559-6060

E-Mail: bharath@distributedsun.com

C) Company Contact (if different from individual completing application):

Name: _____

Title: _____

Address: _____

Phone: _____

Fax: _____

E-Mail: _____

D) Company Counsel:

Name of Attorney: Mariette Geldenhuys

Firm Name: Mariette Geldenhuys, Attorney At Law

Address: Gateway Center Suite STE #306, 401 East State/MLK, Jr. Street, Ithaca, NY 14850

Phone: (607) 273-2272

Fax: (607) 273-4726

E-mail: mariette@geldenhuyslaw.com

E) Business Organization (check appropriate category):

Corporation Partnership
Public Corporation Joint Venture
Sole Proprietorship Limited Liability Company

Other (please specify) _____

Year Established: August 16th, 2016

State in which Organization is established: Delaware (DE)

F) List all stockholders, members, or partners with % of ownership greater than 20%:

<u>Name</u>	<u>% of ownership</u>
<u>SUNEIGHT HOLDCO, LLC</u>	<u>100%</u>
_____	_____
_____	_____

G) Applicant Business Description:

Describe in detail company background, products, customers, goods and services. Description is critical in determining eligibility:

SUN8 PDC LLC is a subsidiary of Distributed Sun LLC, formed specifically for the development, construction and operation of a New York-based community solar project portfolio. Community solar projects provide savings to electricity consumers via energy bill credits. Distributed Sun is an integrated finance and development solar company - formed in 2009, we are primarily focused on building and owning commercial solar projects. We also own and operate solar assets in 9 different states, including NY. SUN8 is offering residential customers within the NYSEG and National Grid service territory the opportunity to buy clean energy from our solar projects, without the need to build or own a solar facility on their roof or property, on a pay-as-you-go basis without any upfront investment.

Estimated % of sales within County/City/Town/Village: 10% of customers are estimated to be within Yates County.

Estimated % of sales outside County/City/Town/Village, but within New York State: *The remaining 90% of sales will be located within New York State and within the 10 other counties that are both within NYSEG territory and NYISO Load Zone C (These counties include all or portions of Allegany, Steuben, Schuyler, Seneca, Ontario, Cayuga, Tompkins, Chemung, Tioga and Broome.)*

Estimated % of sales outside New York State, but within the U.S.: 0%

Estimated % of sales outside the U.S.: 0%

(*Percentage to equal 100%)

H) Estimated percentage of your total annual supplies, raw materials and vendor services are purchased from firms within County/City/Town Village: \$100,000 during construction. During operations: services of \$15,000 year for 30 years. SUN8 expects to spend nearly \$2M in labor expense with NY-based labor principally sourced from the local region.

Section II: Project Description & Details

A) Physical Project Location:

4450 Town Line Road, Middlesex, NY, 14544 (the address may point to a location in the neighboring county; project site is on the southern side of Town Line Rd and is in Yates county)

B) Detailed Description of Project (new build, renovations, and/or equipment purchases). Identify specific uses occurring within the project. Describe any and all tenants and any/all end users (This information is critical in determining project eligibility):

The purpose of the 3.7 MWac community solar projects is to generate clean electricity to be sold to residential and commercial customers. SUN8 PDC LLC has leased land from Jeanette Daum, and plans to lease more than 20 acres for this purpose. These projects would generate enough electricity to power the equivalent of more than 800 average New York homes. Trees will be cleared, where needed, to remove shading. PV modules will be installed on metal racks resting on a foundation of steel earth screws (no concrete for foundations). Two concrete pads of approximately 15' by 20' in size (for the installation of electric equipment to connect to the utility), an eight-foot tall fence with gates, and internal project roads will also be installed.

The project is enabled by the New York Public Service Commission's ruling on Community Distributed Generation and helps the State to achieve the Reforming the Energy Vision goal of 50% clean energy by 2030. The SUN8 projects will offer cheaper, cleaner energy to electricity consumers, creating financial savings (usually 10% discount on their bills). Residential consumers will be able to realize those financial savings and utilize the clean energy generated by the solar projects. Solar projects pay for grid upgrades as a part of the NYSEG's costs to provide service. These costs for upgrades when paid by the projects are removed from the rate-payers burden. The solar projects will also generate clean energy, displacing fossil fuels preserving the environment for future generations. That clean energy will be used by residential customers. By displacing fossil fuel generation, these projects are reducing the environmental burden for future generation and providing more clean air and a healthier environment for New York State residents.

C) Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency? Yes or No

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

The project requires a predictable return on investment (excluding market-based risks) to go forward. If the FLEDC does not provide a 30-year PILOT, the project may be subject to full assessment by tax assessors in later years, undermining the financial stability of the project. By providing the PILOT, the local taxing jurisdictions also get the benefit of receiving predictable property tax revenue over the life of the project. A proposed PILOT payment schedule is attached in Attachment A.

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and County/City/Town/Village?

- In the absence of the PILOT agreement, the project cannot be built. Local taxing jurisdiction will miss the opportunity to receive an increase in property taxes over the existing use of the lands.**
- If the project is not built, consumers will not be offered cheaper & cleaner electricity, missing out on financial savings (usually a 10% discount on their bills).**
- Solar projects pay for grid upgrades as a part of the NYSEG's costs to provide service. These costs, paid by the project, are removed from the rate-payers burden. If the projects are not built, those upgrade costs could be charged to rate-payers overtime when upgrades .**
- Solar projects generate clean electricity, displacing generation from fossil fuel sources. If the project is not constructed, the continued use of fossil fuels will significantly add to the environmental burden – to be borne by future generations.**

D) Current Assessed Value of Property \$55,500 (land only); solar array needs to develop an assessed value.

Property Tax ID# 3.01-1-4 (land; a new phantom tax ID will be created for the project separately)
(not required if project is for equipment purchases only)

Are utilities on Site: Water _____ Electric Yes
 Gas _____ Sanitary/Storm Sewer _____

E) Present legal owner of site Jeanette Daum

If other than Applicant by what means will the site be acquired for this Project: *Property is under site control through a twenty-five year lease with two five-year extensions at the option of SUN8 PDC LLC. SUN8 PDC LLC will be responsible for all costs of development, construction, operation and removal of the solar arrays on the property, including any property taxes attributed to the solar arrays, but excluding the property taxes associated with the land itself.*

F) Zoning of Project Site: Current: AR - Agricultural Proposed: No change

Are any variances Needed: *Yes. Variances will need to be authorized by ZBA for purpose of installing a fence and a gravel access road across property lines and setbacks between two parcels to be subdivided. An application has been submitted to the ZBA.*

Principal Use of Project upon completion: *Electricity generation using solar power to supply residential customers.*

G) Will the Project result in the removal of a facility of the Applicant from one area of the State of New York to another?

Yes or No

Will the Project result in the removal of a facility of another proposed occupant of the Project from one area of the State of New York to another area of the State of New York? Yes or No

Will the Project result in the abandonment of one or more facilities located in the State of New York? Yes or No

If the answer to any of the questions in G were yes, indicate whether any of the following apply to the Project:

1. Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry? Yes or No If yes, please provide detail:

2. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes or No If yes, please provide detail:

Mortgage Recording Tax Exemption Benefit: Amount of mortgage that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/bridge financing): \$ N/A

Estimated Mortgage Recording Tax Exemption Benefit (product of Mortgage Amount as indicated above multiplied by 1%): \$ N/A

Sales and Use Tax: Gross amount of costs for goods and services that are subject to State and local Sales and Use tax - said amount to benefit from the Agency's Sales and Use Tax exemption benefit:

\$ 3,266,175

Estimated State and local Sales and Use Tax Benefit (product of 8% multiplied by the figure, above):

\$ 261,294

(Applicant's Note: The NYS portion of the Sales and Use Tax (4%) has been exempted for Solar Projects and therefore would not need to be abated. SUNB requests an abatement of the Yates County portion of the Sales and Use Taxes)

*** Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.*

Real Property Tax Benefit:

IDA PILOT Benefit: Agency staff will indicate the amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit year and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in Section III(I) of the Application.

Percentage of Project Costs financed from Public Sector sources: Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon Sources of Funds for Project Costs as depicted above in Section II(I) of the Application.

J) What is your project timetable (Provide dates):

1. Start date: acquisition of equipment or construction of facilities: 5/31/2017

2. Estimated completion date of project: 11/30/2017

3. Project occupancy – estimated starting date of operations: 12/31/2017

4. Have construction contracts been signed? Yes or No

5. Has Financing been finalized? Yes or No

*** If constructions contracts have been signed, please provide copies of executed construction contracts and a complete project budget. The complete project budget should include all related construction costs totaling the amount of the new building construction, and/or new building addition(s), and/or renovation.*

Employment Plan (Specific to the proposed project location):

	Current # of jobs at proposed project location or to be relocated to project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be CREATED upon THREE Years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PTE jobs to be created upon THREE Years after Project Completion **
Full time (FTE)	N/A	N/A	N/A	N/A
Part Time (PTE)	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A

** For purposes of this question, please estimate the number of FTE and PTE Jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column. The Labor Market Area includes Yates, Seneca, Ontario, Monroe, Wayne, Livingston, Orleans, Genesee, Wyoming (or six other contiguous counties, including Steuben County, chosen at the Agency's discretion).

K) How many construction jobs will be created:

From data extrapolated from past projects, we expect to expend the following man hours for this proposed project:

Civil, mechanical & storm water control and fencing – 9,000 hours
Electrical – 20,000 hours
Project management & administrative – 3,000 hours
Engineering – 500 hours

Total – 37,000 hours

This is the equivalent of 70 jobs for 6 months (13 weeks) during construction, or the equivalent of 18.5 job-years (40 hours/week, 50 weeks/year).

Category of Jobs to be Retained and Created	Number of Jobs Retained	Number of Jobs Created over next three years	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Management	N/A	N/A		
Professional	N/A	N/A		
Administrative	N/A	N/A		
Production	N/A	N/A		
Independent Contractor	N/A	N/A		
Other	N/A	N/A		

L) Salary and Fringe Benefits for Jobs to be Retained and/or Created:

M) Employment at other locations in County/City/Town/Village: (provide address and number of employees at each location):

	Address	Address	Address
Full time	N/A		
Part Time	N/A		
Total	N/A		

N) Will any of the facilities described above be closed or subject to reduced activity? Yes or No

**** If any of the facilities described above are located within the State of New York, and you answered Yes to the question, above, you must complete Section IV of this Application.**

**** Please note that the Agency may utilize the foregoing employment projections, among other items, to determine the Financial Assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.**

Section III: Retail Questionnaire

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

A. Will any portion of the project (including that portion of the cost to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

Yes or No. If the answer is yes, please continue. If no, proceed to section IV

For purposes of Question A, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

B. What percentage of the cost of the Project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? 0.00 %. If the answer is less than 33% do not complete the remainder of the retail determination and proceed to section V.

If the answer to A is Yes **AND** the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the project:

1. Will the project be operated by a not-for-profit corporation? Yes or No

2. Is the Project location or facility likely to attract a significant number of visitors from outside the economic development region (Rochester / Finger Lakes) in which the project will be located? Yes or No

If yes, please provide a third party market analysis or other documentation supporting your response.

3. Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality within which the proposed project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes or No

If yes, please provide a third party market analysis or other documentation supporting your response.

4. Will the project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? Yes or No

If yes, explain _____

5. Is the project located in a Highly Distressed Area? Yes or No

Section IV: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency Financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Will the Project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state? Yes or No

Will the Project result in the abandonment of one or more plants or facilities of the Project occupant located within the state? Yes or No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry: _____

Does the Project involve relocation or consolidation of a project occupant from another municipality?

Within New York State Yes or No
Within County/City/Town/Village Yes or No

If Yes to either question, please, explain: _____

Section V: Estimate of Real Property Tax Abatement Benefits & Percentage of Project Costs financed from Public Sector sources

**** Section V of this Application will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.**

PILOT Estimate Table Worksheet

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
TOTAL							

*Estimates provided are based on current property tax rates and assessment values

Section VI: Representations, Certifications and Indemnification

**** This Section of the Application can only be completed upon the Applicant receiving, and must be completed after the Applicant receives, IDA Staff confirmation that Section I through Section V of the Application are complete.**

Jeff Weiss (name of CEO or other authorized representative of Applicant) confirms and says that he/she is the *Manager* (title) of SUN8 PDC LLC (name of corporation or other entity) named in the attached Application (the "Applicant"), that he/she has read the foregoing Application and knows the contents thereof, and hereby represents, understands, and otherwise agrees with the Agency and as follows:

- A. **Job Listings:** In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.
- B. **First Consideration for Employment:** In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.
- C. **Annual Sales Tax Filings:** In accordance with Section 874(8) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant. Copies of all filings shall be provided to the Agency.
- D. **Employment Reports:** The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, at least annually or as otherwise required by the Agency, reports regarding the number of people employed at the project site, salary levels, contractor utilization and such other information (collectively, "Employment Reports") that may be required from time to time on such appropriate forms as designated by the Agency. Failure to provide Employment Reports within 30 days of an Agency request shall be an Event of Default under the PILOT Agreement between the Agency and Applicant and, if applicable, an Event of Default under the Agent Agreement between the Agency and Applicant. In addition, a Notice of Failure to provide the Agency with an Employment Report may be reported to Agency board members, said report being an agenda item subject to the Open Meetings Law.
- E. The Applicant acknowledges that certain environmental representations will be required at closing. The Applicant shall provide with this Representation, Certification and Indemnification Form copies of any known environmental reports, including any existing Phase I Environmental Site Assessment Report(s) and/or Phase II Environmental Investigations. The Agency may require the Company and/or owner of the premises to prepare and submit an environmental assessment and audit report, including but not necessarily limited to, a Phase I Environmental Site Assessment Report and a Phase II Environmental Investigation, with respect to the Premises at the sole cost and expense of the owner and/or the Applicant. All environmental assessment and audit reports shall be completed in accordance with ASTM Standard Practice E1527-05, and shall be conformed over to the Agency so that the Agency is authorized to use and rely on the reports. The Agency, however, does not adopt, ratify, confirm or assume any representation made within reports required herein.

- F. The Applicant and/or the owner, and their successors and assigns, hereby release, defend and indemnify the Agency from any and all suits, causes of action, litigations, damages, losses, liabilities, obligations, penalties, claims, demands, judgments, costs, disbursements, fees or expenses of any kind or nature whatsoever (including, without limitation, attorneys', consultants' and experts' fees) which may at any time be imposed upon, incurred by or asserted or awarded against the Agency, resulting from or arising out of any inquiries and/or environmental assessments, investigations and audits performed on behalf of the Applicant and/or the owner pursuant hereto, including the scope, level of detail, contents or accuracy of any environmental assessment, audit, inspection or investigation report completed hereunder and/or the selection of the environmental consultant, engineer or other qualified person to perform such assessments, investigations, and audits.
- G. Hold Harmless Provision: The Applicant acknowledges and agrees that the Applicant shall be and is responsible for all costs of the Agency incurred in connection with any actions required to be taken by the Agency in furtherance of the Application including the Agency's costs of general counsel and/or the Agency's bond/transaction counsel whether or not the Application, the proposed Project it describes, the attendant negotiations, or the issue of bonds or other transaction or agreement are ultimately ever carried to successful conclusion and agrees that the Agency shall not be liable for and agrees to indemnify, defend, and hold the Agency harmless from and against any and all liability arising from or expense incurred by: (i) the Agency's examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the proposed Project described herein or the tax exemptions and other assistance requested herein are favorably acted upon by the Agency; (ii) the Agency's acquisition, construction and/or installation of the proposed Project described herein; and (iii) any further action taken by the Agency with respect to the proposed Project including, without limiting the generality of the foregoing, all causes of action and attorney's fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law and the policies of the Agency that any New York State and local sales and use tax exemption claimed by the Applicant and approved by the Agency, any mortgage recording tax exemption claimed by the Applicant and approved by the Agency, and/or any real property tax abatement claimed by the Applicant and approved by the Agency, in connection with the Project, may be subject to recapture and/or termination by the Agency under such terms and conditions as will be established by the Agency and set forth in transaction documents to be entered into by and between the Agency and the Applicant. The Applicant further represents and warrants that the information contained in this Application, including without limitation information regarding the amount of the New York State and local sales and use tax exemption benefit, the amount of the mortgage recording tax exemption benefit, and the amount of the real property tax abatement, if and as applicable, to the best of the Applicant's knowledge, is true, accurate and complete.
- H. This obligation includes an obligation to submit an Agency Fee Payment to the Agency in accordance with the Agency Fee policy effective as of the date of this Application
- I. By executing and submitting this Application, the Applicant covenants and agrees to pay the following fees to the Agency and the Agency's general counsel and/or the Agency's bond/transaction counsel, the same to be paid at the times indicated:
- (i) a non-refundable \$250 application and publication fee (the "Application Fee");
 - (ii) a \$2,500 expense deposit for the Agency's Counsel Fee.
 - (iii) Unless otherwise agreed to by the Agency, an amount equal to One percent (1%) of the total project costs. The FLEDC will collect its participation fee at the time of closing, based on the capital investment costs stated in this application. (Should the actual costs exceed those estimates by more than 25%, an additional fee will apply.)
 - (iv) All fees, costs and expenses incurred by the Agency for (1) legal services, including but not limited to those provided by the Agency's general counsel and/or the Agency's bond/transaction counsel, thus note that the Applicant is entitled to receive a written estimate of fees and costs of the Agency's general counsel and the Agency's bond/transaction counsel; and (2) other consultants retained by the Agency in connection with the proposed project, with all such charges to be paid by the Applicant at the closing.

- J. If the Applicant fails to conclude or consummate the necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable proper or requested action, or withdraws, abandons, cancels, or neglects the Application, or if the Applicant is unable to find buyers willing to purchase the bond issue requested, or if the Applicant is unable to facilitate the sale/leaseback or lease/leaseback transaction, then, upon the presentation of an invoice, Applicant shall pay to the Agency, its agents, or assigns all actual costs incurred by the Agency in furtherance of the Application, up to that date and time, including but not necessarily limited to, fees of the Agency's general counsel and/or the Agency's bond/transaction counsel.
- K. The Applicant acknowledges and agrees that all payment liabilities to the Agency and the Agency's general counsel and/or the Agency's bond and/or transaction counsel as expressed in Sections H and I are obligations that are not dependent on final documentation of the transaction contemplated by this Application.
- L. The cost incurred by the Agency and paid by the Applicant, the Agency's general counsel and/or bond/transaction counsel fees and the processing fees, may be considered as a cost of the Project and included in the financing of costs of the proposed Project, except as limited by the applicable provisions of the Internal Revenue Code with respect to tax-exempt bond financing.
- M. The Applicant acknowledges that the Agency is subject to New York State's Freedom of Information Law (FOIL). Applicant understands that all Project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.
- N. The Applicant acknowledges that it has been provided with a copy of the Agency's Policy for Termination of Agency Benefits and Recapture of Agency Benefits Previously Granted (the "Termination and Recapture Policy"). The Applicant covenants and agrees that it fully understands that the Termination and Recapture Policy is applicable to the Project that is the subject of this Application, and that the Agency will implement the Termination and Recapture Policy if and when it is so required to do so. The Applicant further covenants and agrees that its Project is potentially subject to termination of Agency financial assistance and/or recapture of Agency financial assistance so provided and/or previously granted.
- O. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:
- § 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.
- P. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.
- Q. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.
- R. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.
- S. The Applicant and the individual executing this Application on behalf of Applicant acknowledge that the Agency and its counsel will rely on the representations and covenants made in this Application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

The Applicant and the Individual executing this Application on behalf of the Applicant acknowledge that:

- A) The FLEDC will rely on the representations made herein when acting on this Application and hereby represent that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.
- B) Failure of the Applicant to file appropriate Sales Tax and Employment reports will result in the revocation of tax benefits and require repayment of benefits previously claimed.

District of Columbia

)
) ss.:

JEFF WETSS, being first duly sworn, deposes and says: SUN8 PDC LLC

1. That I am the MWVA INC (Corporate Office) of SUN8 PDC LLC (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.



I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.

[Signature]
 (Signature of Officer)
04.17.17
 (Date)

TERESA SPEIGHT
NOTARY PUBLIC
DISTRICT OF COLUMBIA
 My Commission Expires Sept. 30, 2020

Subscribed and affirmed to me under penalties of perjury this 17 day of Apr, 2017.

[Signature]
 (Notary Public)

This Application should be submitted with:

- A) A \$250 Application fee to: Finger Lakes Economic Development Center
One Keuka Business Park
Penn Yan, New York 14527
(Attn: CEO).
- B) A certificate of insurance as follows:
 1. Worker's Compensation Insurance (FLEDC named as additional insured).
 2. General Liability Insurance with limits not less than \$1,000,000 per occurrence /accident and a blanket excess liability not less than \$3,000,000 (FLEDC named as additional insured).
 3. Insurance against loss/damage by fire, lightning or other casualties with a uniform standard extended coverage endorsement in an amount not less than the full replacement value of the Facility. (FLEDC named as named insured).

The FLEDC encourages the use of Yates County contractors/suppliers and asks that they be allowed to bid your project!

Attachment A: SUN8 PDC LLC Application to Finger Lakes Economic Development Center
Proposed PILOT Payment Schedule

A 30-year PILOT with a payment of \$4,860 per MWac in year one with a 2% increase each year.

Total PILOT payment amounts over 30 years = 729,495

Year	MW	\$/Mwac	Total
1	3.7	\$4,860	\$17,982
2	3.7	\$4,957	\$18,342
3	3.7	\$5,056	\$18,708
4	3.7	\$5,157	\$19,083
5	3.7	\$5,261	\$19,464
6	3.7	\$5,366	\$19,854
7	3.7	\$5,473	\$20,251
8	3.7	\$5,583	\$20,656
9	3.7	\$5,694	\$21,069
10	3.7	\$5,808	\$21,490
11	3.7	\$5,924	\$21,920
12	3.7	\$6,043	\$22,358
13	3.7	\$6,164	\$22,806
14	3.7	\$6,287	\$23,262
15	3.7	\$6,413	\$23,727
16	3.7	\$6,541	\$24,201
17	3.7	\$6,672	\$24,685
18	3.7	\$6,805	\$25,179
19	3.7	\$6,941	\$25,683
20	3.7	\$7,080	\$26,196
21	3.7	\$7,222	\$26,720
22	3.7	\$7,366	\$27,255
23	3.7	\$7,513	\$27,800
24	3.7	\$7,664	\$28,356
25	3.7	\$7,817	\$28,923
26	3.7	\$7,973	\$29,501
27	3.7	\$8,133	\$30,091
28	3.7	\$8,295	\$30,693
29	3.7	\$8,461	\$31,307
30	3.7	\$8,631	\$31,933
Total			\$729,495

EXHIBIT B

ELLIS PROJECT DOCUMENTS

- 1. Tompkins County IDA PILOT Application (21 pages): 30-year proposed PILOT term set forth on page 7.**
- 2. Town of Dryden endorsement (1 page).**

**Tompkins County Industrial Development Agency /
Tompkins County Development Corporation**
Application for Incentives

Date: 3/13/2017

I. APPLICANT INFORMATION (company receiving benefit)

Name of Company/Applicant: SUN8 PDC LLC

Owner: SUNEIGHT HOLDCO, LLC

Address: 601 13th Street, NW, Suite 450 South

City: Washing State: DC Zip: 20005

Primary Contact (First, Last): Bharath Srinivasan

Phone: (978)319-683 Email: bharath@distributedsun.co Fax: (202)559-6060

If a separate company will hold title to/own the property, please provide the name and contact information for that entity:

Name of (Holding) Company: _____

Owner: Cornell University, Attn: Real Estate Dept

Address: 15 Thornwood Drive

City: Ithaca State: NY Zip: 14850

Primary Contact (First, Last): Christine Hass

Phone: (607)266-7866 Email: crm1@cornell.edu Fax: () -

Describe the terms and conditions of the lease between the applicant and the owner of the property: Property is under site control through a letter agreement to pursue a twenty-five year lease with two five-year extensions at the option of SUN8 PDC LLC. SUN8 will be responsible for all costs of development, construction & operation of the solar arrays on the property, including any property taxes attributed to the solar arrays.

Select the type of incentives being requested (select all that apply):

- Tax-Exempt Bonds
- Taxable Bonds
- Real Property Tax Exemption
 - Standard Tax Exemption (7-year)
 - Other (attach justification)
 - CIITAP: 7-year
 - CIITAP: 10-year (requires determination of financial need – see CIITAP for details)
- Sales Tax Exemption
- Mortgage Recording Tax Exemption

Applicant Attorney: Mariette Geldenhuys

Address: 401 East State Street, Suite 306

City: Ithaca State: NY Zip: 14850

Primary Contact (if different from above:): _____

Phone: (607)273-2272 Email: mariette@geldenguyslaw.co Fax: (607)273-4726

Applicant Accountant: Ranjani Sridharan

Address: 601 13th Street, NW, Suite 450 South

City: Washington State: DC Zip: 20037

Primary Contact (if different from above:): _____

Phone: (202)558-4422 Email: ranjani@distributedsun.co Fax: (202)559-6060

Applicant Engineer/Architect (if known): Labella Associates, D.P.C

Address: 105 N. Tioga Street,

City: Ithaca State: NY Zip: 14850

Primary Contact (if different from above:): Dan Walker

Phone: (607)227-1640 Email: dwalker@labellapc.com Fax: () -

Applicant Contractor (if known): _____

Address: _____

City: _____ State: _____ Zip: _____

Primary Contact (if different from above:): _____

Phone: () - Email: _____ Fax: () -

II. BUSINESS HISTORY

Year company was founded: 2016 NAICS Code: 221114

Type of ownership (i.e. C-Corp, LLC): LLC

Describe in detail company background, products, customers, goods and services: SUN8 PDC LLC is a owned subsidiary of Distributed Sun, LLC. The sole purpose of SUN8 PDC LLC is the development, construction and operation of a New York-based community solar project portfolio. Community solar projects are solar arrays that can provide savings to electricity consumers via bill credits. Distributed Sun is an integrated finance and development solar company - Formed in 2009, we are primarily focused on building and owning commercial solar projects. We also own and operate solar assets in 9 different states, including NY. SUN8 is offering residential customers within the NYSEG and National Grid service territory the opportunity to buy clean energy from our solar projects, without the need to build or own a solar facility on their roof or property. More detail in Attachment A.

Major Customers: SUN8 is in the process of signing up customers to sell energy from our community solar projects

Major Suppliers: Solar Component Manufacturers: To be determined as a part of final engineering (Panel, Racking, Inverters etc.)

Has your business every received incentives tied to job creation? Yes No

If yes, please describe: _____

Were the goals met? Yes No

If no, why were the goals not met? _____

Annual sales to customers in Tompkins County: \$580,794 (this represents a portion of electricity sales expected within Tompkins County)

Percent of annual sales subject to local sales tax: 100%

Value of annual supplies, raw materials and vendor services are that purchased from firms in Tompkins County: \$25000.00

III. PROJECT DESCRIPTION AND DETAILS

Project Location (all addresses and tax parcels):

- Mt. Pleasant Road 56.-5-19.2
- Dryden Rd 56.-5-31
- Stevenson Rd 57.-1-6
- Stevenson Rd 57.-1-7
- 140 Dodge Rd 57.-1-1
- Turkey Hill Road 67.-1-4
- Turkey Hill Road 67.-1-7.2

Above mentioned parcels will be sub-divided further to host one 2MWac project on each tax parcel, per NY PSC regulations. Subdivision is being pursued as a part of the Special Use Permit. The exact acreage of the parcels after subdivision will be ascertained after the Special Use Permit is granted by the Town of Dryden.

Property Size (acres): existing: 396.73 proposed: approx. 125 acres after subdivision from parent parcels

Building Size (square feet): existing: N/A proposed: approx 125 acres for solar arrays

Proposed Dates: start: 5/31/2017 end: 11/30/2017

Please provide a narrative of the Project and the purpose of the Project (new build, renovations, and/or equipment purchases, etc.). Identify specific uses occurring within the Project. Describe any and all tenants and end users:

The purpose of the project is the new construction and operation of 18 MWac of community solar projects across 125 acres to generate clean electricity to be sold to residential & commercial customers. SUN8 PDC LLC has a letter agreement with Cornell University to pursue a 25-year lease with two 5-year extensions at SUN8's option. The installed community solar projects would generate enough electricity to power the equivalent of more than 4,000 average New York homes. Trees will be cleared, where needed, to remove shading. PV modules will be installed on metal racks or tables with driver/screwed in foundations. Concrete pads of approximately 15' by 20' in size (for the installation of electrical equipment to connect to the utility), eight-foot chain link fence, and internal project roads will also be installed.

This project is enabled by the New York Public Service Commission's ruling on Community Distributed Generation and helps the State to achieve the Reforming the Energy Vision goal of 50% clean energy by 2030. SUN8 intends to offer a 10% discount from the prevailing retail rate to subscribers with such selling price to escalate at 2% per year. Due to the predictable generation from solar photovoltaic panels, the feasibility of community solar farms is dependent on having a high level of certainty and predictability in expenses, including tax liability.

Is there a likelihood that the Project would not be undertaken but for the financial assistance provided by the Agency? Yes No

If yes, describe the reasons why the Agency's financial assistance is necessary and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc.: See Attachment B

If no, provide a narrative indicating why the Project should be undertaken by the Agency:

If the Applicant is unable to obtain financial assistance for the Project what will be the impact on the County/City/Town/Village? See Attachment C

Describe what green building practices you plan to use: See Attachment D

Will this project result in a regular increase in overnight visitors to your facility (e.g. for training programs)? Yes No

If yes, number of visitors per year: N/A

Average duration of stays (days): N/A

Occupancy

Select Project type for all end users at Project site (select all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Service*, ** |
| <input type="checkbox"/> Acquisition of existing facility | <input type="checkbox"/> Back office |
| <input type="checkbox"/> Housing | <input type="checkbox"/> Mixed use |
| <input type="checkbox"/> Multi-tenant | <input type="checkbox"/> Facility for aging |
| <input checked="" type="checkbox"/> Commercial | <input type="checkbox"/> Civic facility (not for profit) |
| <input type="checkbox"/> Retail*, ** | <input type="checkbox"/> Other |

** For Purposes of this question, the term "retail sales" means (1) sales by a registered vendor under Article 28 of the Tax Law of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law, or (2) sales of a service to customers who personally visit the project location.*

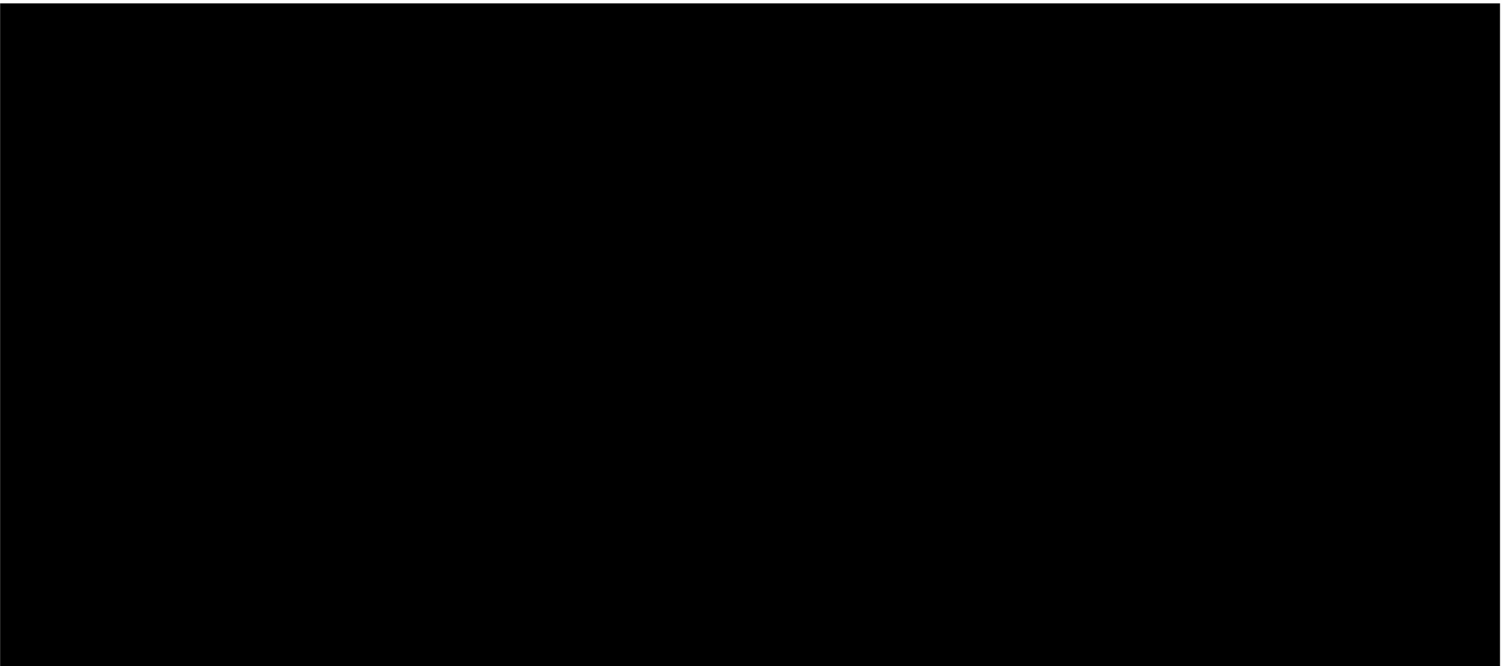
*** If Applicant checked "retail" or "service," complete the Retail Questionnaire contained in Section X.*

List the name(s), nature of business of proposed tenant(s), and percentage of total square footage to be used for each tenant (additional sheets may be attached, if necessary):

Business	Nature of Business	% of total square footage
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

Have any of the above costs been paid or incurred as of the date of this application? Yes No

If yes, describe particulars: Costs for development, site investigations, environmental reviews & engineering to seek subdivision & Special Use Permit from the Town of Dryden = \$150,000. Additionally \$1,100,000 = cost of interconnection down payment previously required by utility under the new regulations approved by the NY-PSC to retain the project's active development status.



Project refinancing of existing debt only (estimated): _____ \$
 Amount of anticipated financing from a lending institution: \$ _____

Note: The applicant must inform the TCIDA/TCDC at the time of issuance of commitment letter if the financing will exceed the amount stated here.

V. VALUE OF INCENTIVES

Property Tax Exemption: *(Agency staff will fill out property tax exemption information based on information submitted by the applicant).*

Assumptions: \$ _____ Value of increase in assessment
 4% Annual increase in assessment and tax rate

New taxes paid: \$ _____ **Taxes Abated:** \$ _____

Year	County	School	City/Town	Village	Total	County	School	City/Town	Village	Total
1										
2										
3										
4										
5										
6										

Calculation of percentage of Project costs financed from public sector: 11.59%
(Total B + C + D + E above / Total Project Cost)

VI. EMPLOYMENT INFORMATION

Note: Annual employment reporting will be required during the course of the abatement.

Describe the benefits you offer to your employees:

These projects will not have any direct or onsite employees during the operation of the project. There will be contracted Operations & Maintenance personnel who would visit the projects sites four-six times a year, to perform any repairs or maintenance work required.

Describe the internal training and advancement opportunities you offer to your employees: N/A

Employment Plan

Occupation in Company	Current (Retained) Permanent Full Time Jobs		Projected New Permanent Full-Time Jobs			
	Average Annual Salary Ranges/ Hourly Wage	Number of Employees	Year 1	Year 2	Year 3	Total New Jobs
Professional	N/A					
Clerical	N/A					
Sales	N/A					
Services	N/A					
Construction	N/A					
Manufacturing	N/A					
High Skilled	N/A					
Medium Skilled	N/A					
Basic Skilled	N/A					
Other (describe)						
Total						

What percentage of your current positions are occupied by women? N/A %

What percentage of your current positions are occupied by minorities? N/A %

Estimated percentage of new hires who would be unemployed at time of hire: N/A %

Estimate the number of residents of the labor market area in which the Project is located that will fill the projected new jobs to be created. (The Agency defines the labor market area as Tompkins County and the contiguous counties; Cayuga, Seneca, Schuyler, Chemung, Tioga, and Cortland Counties) _____

Are you willing to pay a livable wage, as defined by the Alternatives Federal Credit union (AFCU) of Ithaca, NY (http://www.alternatives.org/pdf/AFCU-2015-1055_FINAL2.pdf) to all employees for the duration of the abatements? Yes No

If no, estimate the percentage of the current workforce whose wages meet or exceed the livable wage, as defined by AFCU. _____%

Please describe your strategy for ensuring diversity in hiring: N/A - (We contract professional contractors only.)

VII. CONSTRUCTION LABOR

Note: Applicants will be required to comply with the Agency's Local Labor Utilization Policy.

Will you use contractors who:

- Have a certified apprenticeship program Yes _____ % No
- Pay a prevailing wage Yes _____ % No
- Use local labor Yes _____ % No

VIII. ENVIRONMENTAL REVIEW AND PERMITTING

Environmental Assessment Form - Short Form Long Form

Submitted to: Ray Burger, Director of Planning

Agency Name: Town Board, Town of Dryden

Agency Address: 93 E Main St.

City: Dryden State: NY Zip: 13053

Date of submission: 2/20/2017 Status of submission: Under review by Town Board

The Applicant must comply with the State Environmental Quality Review Act (SEQRA) before the Agency can vote on proposed financial incentives. It is the applicant's responsibility to provide a copy of the-SEQRA determination by another entity.

Permits: Describe other permits required and status of approval process.

<i>Permit</i>	<i>Status</i>
1. <u>Special Use Permit</u>	<u>Under review by Town Board</u>
2. <u>Building Permit</u>	<u>Subject to approval of Special Use Permit, PILOT agreement and payment of fee.</u>
3. <u>Subdivision</u>	<u>Under review by Dryden Planning Dept.</u>
4. _____	_____

IX. OTHER

Do you have anything else you would like to tell the TCIDA regarding this project?
See Attachment E

X. RETAIL QUESTIONNAIRE (Fill out if end users are "retail" or "service" as identified in Section III)

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the project site to undertake either a retail sale transaction or to purchase services.

- A. Will any portion of the Project (including that portion of the cost to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site? Yes No

If yes, please continue. If no, do not complete the remainder of the retail questionnaire and proceed to the next section of the application.

For Purposes of this question, the term "retail sales" means (1) sales by a registered vendor under Article 28 of the Tax Law of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law, or (2) sales of a service to customers who personally visit the project location.

- B. What percentage of the cost of the Project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the Project? _____ %

If the answer is less than 33.33% do not complete the remainder of the retail determination and proceed to the next section of the application.

If the answer to Question A is Yes AND the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the Project:

1. Will the Project be operated by a not-for-profit corporation? Yes No
2. Is the Project location or facility likely to attract a significant number of visitors from outside Tompkins County? Yes No

If yes, please provide a third party market analysis or other documentation supporting your response.

3. Will the Project make available goods or services which are not currently reasonably accessible to the residents of the municipality within which the proposed Project would be located? Yes No

If yes, please provide a third party market analysis or other documentation supporting your response.

4. Will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? Yes No

If yes, explain: _____

XI. INTER-MUNICIPAL MOVE DETERMINATION

The Agency is required by State law to make a determination that, if completion of a Project benefiting from the Agency financial assistance results in the removal of an industrial or manufacturing plant of the Project occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the project occupant located within the State, Agency financial assistance is required to prevent the Project occupant from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry.

Will the Project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the State? Yes No

Will the Project result in the abandonment of one or more plants or facilities of the Project occupant located within the State? Yes No

If yes to either question explain how notwithstanding the aforementioned closing or activity reduction the Agency's financial assistance is required to prevent the Project from relocating out of the State or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

Does the Project involve relocation or consolidation of a Project occupant from another municipality:

Within New York State: Yes No

Within County/City/Town/Village: Yes No

If yes to either question above, please explain: _____

REPRESENTATIONS, CERTIFICATIONS AND INDEMNIFICATION

Chase Weir (name of CEO or other authorized representative of Applicant)

confirms and says that he/she is the Manager (title) of SUN8 PDC LLC (name of corporation or other entity) named in the attached Application (the "Applicant"), that he/she has read the foregoing Application and knows the contents thereof, and hereby represents, understands, and otherwise agrees with the Agency and as follows:

- A. Job Listings. In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the proposed Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the proposed Project must be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entitle") of the service delivery area created by the Federal Job Training Partnership Act (Public Law 97-300) ("JTPA") in which the proposed Project is located.
- B. First Consideration for Employment. In accordance with Section 858-b(2) of the General Municipal Law, the applicant understands and agrees that, if the proposed Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant must first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the proposed Project.
- C. Employment Reports. The Applicant understands and agrees that, if the proposed Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, at least annually or as otherwise required by the Agency, reports regarding the number of people employed at the project site, salary levels, contractor utilization, local construction labor utilization and such other information (collectively, "Employment Reports") that may be required from time to time on such appropriate forms as designated by the Agency. Failure to provide Employment Reports within 30 days of an Agency request shall be an Event of Default under the PILOT Agreement between the Agency and Applicant and, if applicable, an Event of Default under the Project Agreement between the Agency and Applicant.
- D. Labor Utilization Reporting. The Applicant understands and agrees that, if the proposed Project receives any Financial Assistance from the Agency, the Applicant agrees to comply with the Labor Utilization Policy, which requires providing documentation that construction bids were solicited from local firms and monthly construction labor reporting as outlined in the Policy.
- E. Hold Harmless Provision. The Applicant acknowledges and agrees that the Applicant shall be and is responsible for all costs of the Agency incurred in connection with any actions required to be taken by the Agency in furtherance of the Application including the Agency's costs of general counsel and/or the Agency's bond/transaction counsel whether or not the Application, the proposed Project it describes, the attendant negotiations, or the issue of bonds or other transaction or agreement are ultimately ever carried to successful conclusion and agrees that the Agency shall not be liable for and agrees to indemnify, defend, and hold the Agency harmless from and against any and all liability arising from or expense incurred by: (i) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (ii) the Agency's acquisition, construction and/or installation of the Project described therein and (iii) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing.

- F. Sales Tax. In accordance with Section 874(8) of the General Municipal Law, the Applicant understands and agrees that, if the proposed Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant. Copies of all filings shall be provided to the Agency.

Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law and the policies of the Agency that any New York State and local sales and use tax exemption claimed by the Applicant and approved by the Agency in connection with the Project, may be subject to recapture and/or termination by the Agency under such terms and conditions as will be established by the Agency and set forth in transaction documents to be entered into by and between the Agency and the Applicant.

- G. Fees. By executing and submitting this Application, the applicant covenants and agrees to pay the following fees:
- (i) An Administrative Fee in accordance with the Administrative Fee Policy effective as of the date of this application, to be paid at transaction closing (unless otherwise outlined in the Project Agreement or authorizing resolution). This fee will be equal to 1% of the total value of expenses that are positively impacted by the Agency incentives. The Agency may reduce the administrative fees from 1% to .50% of project costs if the total project cost is less than \$1 million. For total project costs greater than \$1 million but less than \$2 million, the fees may be reduced from 1% to .75% of project costs;
 - (ii) All fees, costs and expenses incurred by the Agency for (1) legal services, including but not limited to those provided by the Agency's general counsel or bond/transaction counsel, and (2) other consultants retained by the Agency in connection with the proposed Project; with all such charges to be paid by the Applicant at the closing or, if the closing does not occur, within ten (10) business days of receipt of the Agency's invoices therefore please note that the Applicant is entitled to receive a written estimate of fees and costs of the Agency's bond/transaction counsel;
 - (iii) The cost incurred by the Agency and paid by the Applicant, including bond/transaction counsel and the Agency's general counsel's fees and the processing fees, may be considered as a cost of the Project and included in the financing of costs of the proposed Project, except as limited by the applicable provisions of the Internal Revenue Code with respect to tax-exempt bond financing.

If the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Applicant is unable to find buyers willing to purchase the bond issue requested, or if the Applicant is unable to facilitate the sale/leaseback or lease/leaseback transaction, then, upon presentation of an invoice, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

- H. FOIL. The Applicant acknowledges that the Agency is subject to New York State's Freedom of Information Law (FOIL). Applicant understands that all Project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.
- I. Financial Review. The Applicant acknowledges that the Agency shall undertake an assessment of all material information included in connection with the Application for Financial Assistance as necessary to afford a reasonable basis for the decision by the Agency to provide Financial Assistance for the Project, including, but not limited to qualification of the proposed project under the GML (including any retail analysis, as applicable), conducting a full application review, review of applicant financial history and project pro-formas, and consideration of all local development priorities.

- J. The Applicant represents and warrants that the information contained in this Application, to the best of the Applicant's knowledge, is true, accurate and complete.
- K. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, State and federal tax, worker protection and environmental laws, rules and regulations.
- L. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provisions of Section 859-a(5) and Section 862(1) of the New York General Municipal Law.
- M. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the Project.
- N. The Applicant and the individual executing this application on behalf of Applicant acknowledge that the Agency and its counsel will rely on the representations and covenants made in this application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

Name: Chase Weir

Title: Manager

Company: Sun 8 PDC LLC

Date: 03/17/2017

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

On the __ day of _____ in the year 20__, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

 Notary Public

**NEW YORK STATE FINANCIAL REPORTING
REQUIREMENTS FOR INDUSTRIAL DEVELOPMENT AGENCIES**

Please be advised that the New York General Municipal Law imposes certain reporting requirements on IDAs and recipients of IDA financial assistance. Of particular importance to IDA applicants is Section 859 (copy attached). This section requires IDAs to transmit financial statements within 90 days following the end of an Agency's fiscal year ending December 31, prepared by an independent, certified public accountant, to the New York State Comptroller, the Commissioner of the New York State Department of Economic Development. These audited financial statements shall include supplemental schedules listing the following information:

1. All straight-lease ("sale-leaseback") transactions and whether or not they are obligations of the Agency.
2. All bonds and notes issued, outstanding or retired during the period and whether or not they are obligations of the Agency.
3. All new bond issues shall be listed and for each new bond issue, the following information is required:
 - a. Name of the project financed with the bond proceeds.
 - b. Whether the project occupant is a not-for-profit corporation.
 - c. Name and address of each owner of the project.
 - d. The estimated amount of tax exemptions authorized for each project.
 - e. Purpose for which the bond was issued.
 - f. Bond interest rate at issuance and, if variable, the range of interest rates applicable.
 - g. Bond maturity date.
 - h. Federal tax status of the bond issue.
 - i. Estimate of the number of jobs created and retained for the project.
4. All new straight lease transactions shall be listed and for each new straight lease transaction, the following information is required:
 - a. Name of the project.
 - b. Whether the project occupant is a not-for-profit corporation.
 - c. Name and address of each owner of the project.
 - d. The estimated amount of tax exemptions authorized for each project.
 - e. Purpose for which each transaction was made.
 - f. Method of financial assistance utilized for each project, other than the tax exemptions claimed by the project.
 - g. Estimate of the number of jobs created and retained for the project.

Please sign below to indicate that you have read and understood the above.

Name: Chase Weir

Title: Manager

Company: Sun 8 PDC LLC

Date: 03/17/2017

ATTACHMENT A

TO,

THE TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SUBJECT: APPLICATION FOR INCENTIVES

I. APPLICATION INFORMATION

SUN8 PDC LLC ("SUN8") requests a PILOT agreement through the IDA for thirty years for the construction and operation of community solar projects. The PILOT agreement will make the community solar projects economically viable, providing predictable property tax liability to the solar projects and predictable revenue streams to the taxing jurisdictions.

ATTACHMENT B

TO,

THE TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SUBJECT: APPLICATION FOR INCENTIVES

III. PROJECT DESCRIPTION AND DETAILS

If yes, describe the reasons why the agency's financial assistance is necessary and the effect the project will have on the applicant's business or operation. Focus on competitiveness issue, project shortfalls etc.:

The IDA's assistance is imperative for SUNB's project to be economically feasible. Solar projects are exempt from paying real property taxes under Sec 487 at the State and Local level unless a local taxing jurisdiction opts out of the property tax exemption. If local jurisdictions were to opt out of the property tax exemption, or do not accept a PILOT agreement, solar projects would be unable to be built within viability in that jurisdiction. The abnormally high assessments by conventional practice and variability of assessed amounts creates financial uncertainty for solar projects. Conventional assessments would not allow the projects to offer financial savings to electricity consumers – savings that otherwise would benefit the residents of region.

ATTACHMENT C

TO,

THE TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SUBJECT: APPLICATION FOR INCENTIVES

III. PROJECT DESCRIPTION AND DETAILS

If the applicant is unable to obtain financial assistance for the Project, what will be the impact on the county/city/town/village?

- In the absence of the PILOT agreement, the projects cannot be built. The PILOT agreements, after abatements, still bring sizable revenue to the local taxing jurisdictions, incrementally over property taxes on the lands.
- Projects will offer cheaper energy to electricity consumers, creating financial savings (usually 10% discount on their bills) – if the projects are not built, consumers will not be offered any financial savings.
- Solar projects pay for grid upgrades as a part of the NYSEG's costs to provide service. These costs for upgrades are removed from the rate-payers burden as they are paid for by the project. If the projects are not built, those costs may fall on the rate-payers eventually.
- Solar projects generate clean energy, displacing fossil fuels. If the projects are not constructed, the continued use of fossil fuels will significantly add to the environmental burden – to be borne by coming generations.

ATTACHMENT D

TO,

THE TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SUBJECT: APPLICATION FOR INCENTIVES

III. PROJECT DESCRIPTION AND DETAILS

Describe what green building practices you plan to use:

SUN8 works to be environmentally responsible and resource-efficient throughout a project's life cycle: from siting to design, construction, operation, maintenance, and decommission. Our community solar projects enable customers to purchase solar power who are otherwise unable or prefer not to have solar installed on their roofs.

Throughout construction and operations, the materials used are non-toxic, reusable, and/or recyclable. The projects will not produce any emissions, light or sound pollution. The modular equipment to be used is easy to install and easy to remove - helping to achieve the goal to minimize any waste created during construction and decommissioning. Environmental reviews and studies are conducted before the construction phase. All materials will be dismantled and recycled during the decommissioning phase.

Furthermore, during project operations, SUN8 has enjoyed utilizing green methods for maintaining landscaping around solar panels. Since 2014, sheep have been utilized as a landscaping resource ("lamb-scaping,") around SUN8's Snyder Rd Solar Farm next to the Tompkins County Airport. This is a greener option than gas or electric powered landscaping machinery. Projects are not built on any environmentally sensitive land and are designed to avoid harming any endangered species. Throughout the entire life of the project, we aim to leave the land in its original state as it was before construction.

ATTACHMENT E

TO,

THE TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SUBJECT: APPLICATION FOR INCENTIVES

IX. OTHER

Do you have anything else you would like to tell the TCIDA regarding the project?

SUN8 PDC LLC aims to provide clean, renewable energy to Tompkins County and the surrounding area. In addition, the project will bring the following benefits in terms of jobs and output (based on the PV-JEDI model developed by the National Renewable Energy Laboratory.

- Expect >200 construction jobs for 6+ months to be created on all our proposed projects in Dryden. >125 for this project alone.
- Local sheep farmers will be able to house sheep at on the same property – increasing local farming output (2 sheep per acre = 250 sheep at this site)
- The potential financial savings to electricity consumers over 30 years is \$9.4MM. This translates into \$39.2MM of economic impact in the region (using a multiple of 4 for marginal propensity to consume).
- The PILOT payments in aggregate represent \$5MM in revenue to the local taxing jurisdictions over 30 years.
- The societal benefit of generating clean energy (displacing fossil fuel) calculated using data provided by the NY Public Service Commission is \$20MM.

A PILOT Agreement through the TCIDA would play a significant role in encouraging economic development in the area, and promoting this clean source of energy.

Office of the Supervisor
93 E. Main Street
Dryden, NY 13053



Jason Leifer
607/844-8888
supervisor@dryden.ny.us

April 5, 2017

Tompkins County Industrial Development Agency
401 E. State St./E. MLK Jr. St.
Ithaca, NY 14850

Dear Tompkins County IDA Board of Directors:

We are pleased to have this opportunity to express our qualified support for the Payment In lieu of Taxes agreement (PILOT) being developed by TCAD for large scale solar projects countywide, and for two applications presently pending in Dryden from SUN8PDC on sites located at Dryden Road and Turkey Hill Rd. (and the vicinity). While we embrace the concept of a countywide PILOT agreement to attract solar energy companies to Tompkins County, we believe that improvements ought to be made to the proposed allocation formula to ensure a more equitable distribution. Put simply, because town governments take the greatest risks in developing, siting, and reviewing large scale solar projects, they ought to be compensated appropriately for the disproportionate demands placed on their services.

The creation of a PILOT program provides an opportunity to consider best practices, rather than failing models, such as the regressive property tax. We believe that TCAD should offer a PILOT formula that reflects the partnership between town and county government. Fortunately, we have such a model already established with the redistribution of sales taxes. We propose using the same formula in place for the first 3 cents per dollar in local sales tax collected, which splits revenue equally.

We respect that school districts are under tremendous financial pressure and will not accept anything less than the ratio provided by the property tax. We accept that, and ask only that the remaining funds, after school districts are given their allotments, be split evenly between the town and county.

The solar projects we are reviewing offer great promise in reducing the use of fossil fuels and helping Tompkins County meet its CO2 emission reduction goals – perhaps more than any previous effort in the region. We're proud to be doing our part to reduce greenhouse gas emissions and helping the county meet its goals. While it has required a tremendous amount of work to get to this place, we feel confident that other municipalities will be encouraged to put in similar efforts, if they know their efforts will result in a fair distribution of the PILOT revenues generated.

We thank you for considering our views on this important matter and for your service to our community.

Sincerely,

Jason M. Leifer, Esq.
Town Supervisor

Daniel Lamb
Deputy Supervisor

EXHIBIT C

SPENCER PROJECT DOCUMENTS

- 1. Site Lease Agreement (4 pages): recitals, signature page, and first two pages of Exhibit B. Lease Term set forth in Exhibit B.**
- 2. Tioga County IDA Cost/Benefit Analysis (8 pages): proposed 30-year PILOT term analyzed on page 5.**
- 3. May 3, 2017 Tioga County IDA Board Minutes (7 pages): SUN8 PILOT approval discussed on page 5.**

SITE LEASE AGREEMENT FOR SOLAR FACILITY

This SITE LEASE AGREEMENT FOR SOLAR FACILITY ("Lease" or "Agreement") is made as of September 28, 2016 (the "Effective Date") by and between Cris Pasto ("Lessor") and SUN8 PDC, LLC, a Delaware limited liability company ("Lessee") (each a "Party," and collectively the "Parties.")

RECITALS:

A. Lessee desires to design, permit, construct, operate and maintain a solar energy facility that will generate electric power (the "Solar Facility") on a portion of property (the "Property") owned or leased by Lessor, more particularly identified in Exhibit A hereto, and commonly known as 350 Van Etten Road, Spencer, New York 14883.

B. Lessor desires to lease a portion of the Property to Lessee and to grant to Lessee certain appurtenant rights, all on the terms and conditions of this Lease, for the purposes of designing, permitting, constructing, operating and maintaining the Solar Facility on the Property (those portions of the Property on which Lessee locates any portion the Solar Facility shall be referred to herein as a "Solar Equipment Site" and collectively as the "Solar Equipment Sites").

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Lease. For and in consideration of the agreement of Lessee to pay Rent, and subject to the terms and conditions of this Lease and subject to the terms and conditions of the Purchase and Sale Contract dated as of September 27, 2016 between Lessor and Carl Alve, Lessor hereby leases to Lessee, and Lessee does hereby lease from Lessor, the Property and the Solar Equipment Sites as follows:

(a) During the Development Term, Lessor shall lease the entire Property to Lessee for the purpose of designing and permitting the Solar Facility and to allow Lessee to conduct development activities related to the Solar Facility;

(b) During the Construction Term, Lessor shall lease one or more portions of the Property known as the "Construction Sites," as more particularly described in Exhibit A-1, to be updated prior to the commencement of the Construction Term, for the purpose of constructing the Solar Facility; and

(c) During the Operations Term, Lessor shall lease to Lessee the Solar Equipment Sites, as further described on Exhibit A-2, to be updated prior to the commencement of the Operations Term for the purpose of, constructing, operating and maintaining the Solar Facility.

(d) In addition, Lessor grants to Lessee the appurtenant rights of ingress to and egress from the Solar Equipment Sites as provided in Section B-1.

IN WITNESS WHEREOF, the Parties have executed this Lease as of the Effective Date.

LESSOR:

By: 

Name: Cris Pasto

Title: Individual

LESSEE:

SUN8 PDC, LLC

By: 

Name: Jeff Weiss

Title: Authorized Person for SUN8 PDC, LLC
& Managing Director of Distributed Sun LLC

EXHIBIT B

General Terms and Conditions

B-1. Use of Solar Equipment Site: Construction and Operation of the Solar Facility

(a) Consent. Lessor hereby consents to the construction of the Solar Facility by Lessee on the Construction Sites and the Solar Equipment Sites, including without limitation, solar panels and related equipment, support structures, solar panel mounting, racking, substrates or supports, wiring and connections, power inverters, service equipment, metering equipment and utility interconnection equipment.

(b) General Access. Lessor shall provide Lessee with access to the Property and each Solar Equipment Site as necessary to allow Lessee to design, permit, construct, operate and maintain the Solar Facility, including ingress and egress rights to any Solar Equipment Site for Lessee and its employees, contractors and subcontractors and access to solar panels and conduits to interconnect the Solar Facility with the Property's electrical wiring. Lessor shall use commercially reasonable efforts to provide sufficient space for the temporary storage and staging of tools, materials and equipment and for the parking of construction crew vehicles and temporary construction trailers and facilities as reasonably necessary. Lessor shall provide Lessee a reasonable area for construction laydown. Lessor and its authorized representatives shall at all times have access to and the right to observe the installation work, subject to compliance with Lessee's safety rules, but shall not interfere with such installation work or handle any Lessee equipment or the Solar Facility without written authorization from the Lessee.

(c) Ingress and Egress Easement. It is understood and acknowledged by Lessee that the Property may not have direct access to an existing public right-of-way. Therefore, Lessor grants to Lessee any and all easement rights for ingress and egress to the Property to the full extent of Lessor's right to grant such rights, and Lessee further grants the right to Lessee to cross the Property as reasonably necessary to access the Solar Equipment Sites.

(d) Consent to Appurtenant Rights. Lessee shall also have the right from time to time during the Term to: (i) design, permit, construct, install, and operate the Solar Facility, (ii) maintain, clean, repair, replace and dispose of part or all of the Solar Facility, (iii) add or remove the Solar Facility or any part thereof, (iv) access the Property and the Solar Equipment Sites with guests for promotional purposes during customary business hours and at other times as are acceptable to Lessor in its reasonable business judgment, and (v) perform all tasks necessary or appropriate, as reasonably determined by Lessee, to carry out the activities permitted in this Lease.

B-2. Term and Termination. The term ("Term") of this Lease shall be as follows:

(a) Development Term. The initial development term ("Development Term") shall commence on the Effective Date hereof and shall expire on the earlier of the commencement of the Construction Term or termination of Lease. The Development Term shall be for an initial period of eighteen (18) months from the Effective Date; *provided, however*, Lessor and Lessee may mutually agree in writing to extend the Development Term for an additional one (1) year term.

(b) Construction Term. Lessee shall have the right to extend the lease to provide for construction of the Solar Facility (the "Construction Term"). The Construction Term shall commence on the date specified in a written notice to Lessor that Lessee elects to initiate the Construction Term as of a date so specified in such notice. The Construction Term shall expire on the earlier of the commencement of the Operations Term or termination of Lease. The Construction Term shall be for an initial period of one (1) year from the commencement of the Construction Term. Lessor and Lessee may mutually agree in writing to extend the Construction Term for an additional one (1) year term by written notice to the Lessor. Lessee shall have the unilateral right to terminate this Lease at any time during the Construction Term without penalty, subject to removal obligations of Section B-6(g), upon written notice to Lessor; provided, however, that in the event of such termination, the Lessor is entitled to retain all payments made by Lessee prior to the date of such termination.

(c) Operations Term. Lessee shall have the right to extend the Lease to provide for operation of the Solar Facility (the "Operations Term"). The Operations Term shall commence on the date specified in a written notice to Lessor that Lessee elects to initiate the Operations Term as of a date so specified in such notice. The Operations Term shall be for an initial period of twenty-five (25) years from the Commercial Operations Date. Lessee shall have the unilateral right to extend the Operations Term for two (2) additional five (5) year periods on the same terms herein upon written notice to the Lessor. Lessee shall have the unilateral right to terminate this Lease at any time during the Operations Term without penalty, subject to the removal obligations in Section B-6(g), upon written notice to Lessor; *provided, however*, that in the event of such termination, the Lessor is entitled to retain all payments made by Lessee prior to the date of such termination.

(d) Termination. Lessee shall have the unilateral right to terminate this Lease at any time during the Term without penalty, subject to the removal obligations in Section B-6(g) upon written notice to Lessor; *provided, however*, that in the event of such termination, the Lessor is entitled to retain all payments made by Lessee prior to the date of such termination. Lessor shall not have the right to terminate the Lease.

B-3. Payment Terms.

(a) Except for the initial payment of Development Term Rent, which shall be paid to Lessor within three Business Days of the Effective Date, all payments of Rent shall be made quarterly, commencing upon the last calendar day of the month that is ninety (90) days after the date on which the prior payment was made, and continuing in such manner until the termination of the Lease.

(b) Rent payments shall be made by check and sent to the address set forth in Section 4, or another address provided to Lessee in writing.

(c) In the event of a payment dispute, Lessee shall have the obligation to pay any undisputed portion of the Rent

B-4. Protection of Insolation and Solar System.

Financial Assistance Application – SUN8 PDC, LLC Cost / Benefit Analysis

The information included herein is taken from the attached Tioga County Industrial Development Agency (IDA) "Application for Financial Assistance" and various correspondence and conversations between representatives of the Tioga County Department of Economic Development and Planning, Tioga County Industrial Development Agency, County of Tioga, Town of Spencer, Spencer Van-Etten School District, Tioga County Real Property Office and SUN8 PDC, LLC (the "Company").

SUNEIGHT HoldCo, LLC is the 100% owner of the applicant SUN8 PDC, LLC. Both entities are special purpose entities set up by Distributed Sun and EWT-Americas, Inc. to focus on development of community solar projects in the State of New York.

PROJECT SUMMARY

SUN8 PDC, LLC plans to erect nine (9) solar photovoltaic arrays on three (3) parcels all located on VanEtten Road in the Town of Spencer, Tioga County New York which are anticipated to generate 16MW of power (the "Project"). The Project consists of, (i) the construction of the solar arrays by way of, (a) leasehold agreements on the real property associated with the Project (the "Land"), (b) the purchase and installation of solar panels, transformers, inverters, modules, racking, mounting, wiring equipment and associated miscellaneous equipment (the "Equipment"), (c) associated permitting, approvals, and interconnection costs to deliver service (the "Soft Costs"), located on the Land and associated with the operation of the Project (the Land and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned and operated by the Company as a Community Solar Project as defined by the Community Distributed Generation regulation enacted in 2015 by the Public Service Commission (PSC) which allows a solar facility at one remote location to transfer the electricity generated in the form of bill credits to subscribing members within the same distribution utility territory (NYSEG) and NY-ISO Control Load Zone; (ii) the granting of certain "financial assistance" with respect to the foregoing, including potential exemptions from sales taxes, mortgage recording taxes and real property taxes (collectively, the "Financial Assistance"); and (iii) the leasing or licensing of and/or granting of an easement interest in the Project Facility to the Company, to induce acquisition, construction and equipping of the Project.

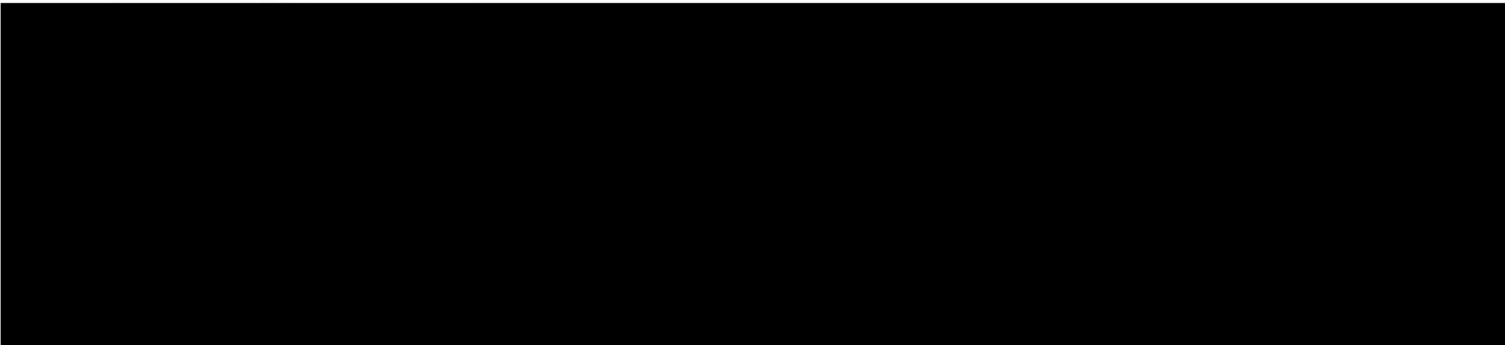
The SUN8 PDC Project would be located entirely within the Town of Spencer with construction slated to begin in May 2017. Construction activities would be minimal and would include site preparation, later months would involve system testing and utility tie-ins. Full operation would occur by December 31, 2017. The

Project will add local generation to the grid contributing toward grid reliability and resilience.

PROJECT DETAIL

- Proposed Site: Three (3) properties in County of Tioga located in the Town of Spencer, all on Van-Etten Road. The proposed Project will require the necessary approvals from local code enforcement, NYSEG and NYSERDA. Applicable laws of the New York State Environmental Quality Review Act (SEQRA) shall be followed.
- Job Creation: Anticipated permanent fulltime workforce by Company within Tioga County, NY is zero (0).
- Product: Project creates nine (9) solar arrays with the capacity to generate 16 MW of electricity.
- Project Schedule: Construction is scheduled to begin in May 2017 and be completed by December 31, 2017.

ESTIMATED PROJECT BUDGET



Tioga County IDA

Based on the taxable items related to the construction, equipment and materials purchases anticipated at \$12,153,600, and allowing for the already granted sales tax exemption on the State portion, and using the assumption that all materials would be purchased within Tioga County, NY, the Company has requested a sales tax savings estimated at \$486,144 (local portion only).

There will be no mortgage taken therefore no mortgage recording tax abatement has been requested.

Total estimated local share sales tax savings for the project: \$486,144

ECONOMIC IMPACT

A) Permanent Fulltime Employment Impact:

In determining permanent fulltime employment impact to the area, we have utilized the direct-effect employment multiplier provided by the US Department of Commerce, Economics and Statistics Administration, Bureau of Economic Analysis (2013). The following estimates employment impact for Tioga County, New York.

Estimated Employment Impact Tioga County, NY	
	SUN8 PDC, LLC
Job Creation	0
Multiplier	1.5207
Total Employment Impact to Tioga County, NY	0

Note: Multiplier = Electric power generation, transmission and distribution

Employment Impact Summary:

1. In Tioga County, New York, the project will create zero (0) permanent fulltime employees by SUN8 PDC, LLC.
2. There is no additional indirect permanent fulltime job creation in Tioga County, NY.
3. From a permanent fulltime employment perspective in the State of New York, the SUN8 PDC Project will create 4 jobs, related to field operations, maintenance and administrative, customer management services specifically related to this Project. SUN8 PDC currently employees 25 with an annual payroll of \$1.8 M and headquartered in Washington D.C.

B) Earnings Impact on an Annual Basis for Permanent Fulltime Employees:

In determining annual earnings (wages) impact for permanent fulltime employees, we have utilized the direct-effect earnings multiplier provided by the US Department of Commerce, Economics and Statistics Administration, Bureau of Economic Analysis (2013). The following estimates annual earnings impact for Tioga County, New York.

Estimated Annual Earnings Impact Tioga County, NY	
	SUN8 PDC, LLC
Annual Earnings (0 employees)	\$0
Multiplier	1.1724
Total Earnings Impact to Tioga County, NY	\$0

Note: Multiplier = Electric power generation, transmission and distribution

Annual Earnings Impact Summary:

1. In Tioga County, New York, the project will create \$0 in annual earnings for permanent fulltime employees by SUN8 PDC, LLC.
2. There are no indirect results from annual permanent fulltime employee earnings in Tioga County, NY.

C) Construction Employment Impact:

In determining employment impact to the area, we have utilized the direct-effect employment multiplier provided by the US Department of Commerce, Economics and Statistics Administration, Bureau of Economic Analysis (2013). The following estimates employment impact for Tioga County, New York.

Estimated Construction Employment Impact Tioga County, NY	
	SUN8 PDC, LLC
Job Creation	80
Multiplier	1.2963
Total Employment Impact to Tioga County, NY	103

Construction Employment Impact Summary

1. This project will create approximately 80 construction jobs.
2. Additional indirect results include creating ~ 23 jobs in Tioga County, NY.

PROPOSED PAYMENT-IN-LIEU-OF-TAX (PILOT)

The following PILOT has been requested by SUN8 PDC, LLC:

Year	Estimated PILOT payment*	Estimated Real Property Tax**	Town	County	School
1	\$89,600	\$97,406	\$16,627	\$24,338	\$48,635
2	\$91,392	\$99,354	\$16,960	\$24,825	\$49,608
3	\$93,220	\$101,341	\$17,299	\$25,321	\$50,600
4	\$95,084	\$103,368	\$17,645	\$25,827	\$51,612
5	\$96,986	\$105,435	\$17,998	\$26,344	\$52,644
6	\$98,926	\$107,544	\$18,358	\$26,871	\$53,697
7	\$100,904	\$109,695	\$18,725	\$27,408	\$54,771
8	\$102,922	\$111,889	\$19,099	\$27,956	\$55,866
9	\$104,981	\$114,126	\$19,481	\$28,516	\$56,984
10	\$107,080	\$116,409	\$19,871	\$29,086	\$58,123
11	\$109,222	\$118,737	\$20,268	\$29,668	\$59,286
12	\$111,406	\$121,112	\$20,674	\$30,261	\$60,472
13	\$113,634	\$123,534	\$21,087	\$30,866	\$61,681
14	\$115,907	\$126,005	\$21,509	\$31,483	\$62,915
15	\$118,225	\$128,525	\$21,939	\$32,113	\$64,173
16	\$120,590	\$131,095	\$22,378	\$32,755	\$65,456
17	\$123,002	\$133,717	\$22,825	\$33,411	\$66,766
18	\$125,462	\$136,392	\$23,282	\$34,079	\$68,101
19	\$127,971	\$139,119	\$23,748	\$34,760	\$69,463
20	\$130,530	\$141,902	\$24,223	\$35,456	\$70,852
21	\$133,141	\$144,740	\$24,707	\$36,165	\$72,269
22	\$135,804	\$147,635	\$25,201	\$36,888	\$73,715
23	\$138,520	\$150,587	\$25,705	\$37,626	\$75,189
24	\$141,290	\$153,599	\$26,219	\$38,378	\$76,693
25	\$144,116	\$156,671	\$26,744	\$39,146	\$78,227
26	\$146,998	\$159,804	\$27,279	\$39,929	\$79,791
27	\$149,938	\$163,001	\$27,824	\$40,727	\$81,387
28	\$152,937	\$166,261	\$28,381	\$41,542	\$83,015
29	\$155,996	\$169,586	\$28,948	\$42,373	\$84,668
30	\$159,116	\$172,977	\$29,527	\$43,220	\$86,368
Total	\$3,634,900	\$3,951,564	\$674,531	\$987,336	\$1,973,033

*Note: lump sum PILOT payment amount is based on \$5,600/MW X 16 MW and includes a 2% annual escalation over the thirty (30) year agreement

**Note: Real Property Taxes estimated for \$2,813,333 total assessment based on a 2016/2017 Town, County, School and Recycle combined tax rate of 34.622897 for first

year and increased by 2% each following year. Fire tax is .335683/1000 and Library tax is .02851/1000 assessed value and at 100% all years and not included in the table.

According to this estimated PILOT financial model, over a period of thirty (30) years, SUN8 PDC, LLC would be afforded an estimated real property tax abatement of \$316,664.

JUSTIFICATION FOR DEVIATION FROM UNIFORM PILOT POLICY

The following additional points should be considered as justification for deviation from the IDA's Uniform PILOT Policy:

- Real Property Tax Law Section 487 provides for only a maximum fifteen (15) year exemption from real property taxation for the increase in value resulting from the installation of a qualifying system.
- The Company has stated that the Project is revenue neutral and cannot grow such as a regular business. Therefore, a full assessment would render the project unviable by year sixteen (16).
- The Company has stated that the financing of new solar projects is traditionally accomplished on a project-financed basis, with a lending community that typically lends on a long-term basis. Project financing is enhanced by having a long-term PILOT, due to the increased assurance of debt coverage during the full term of the borrowing.

SUMMARY

- The Company will create zero (0) new fulltime permanent jobs and zero (\$0) in new fulltime permanent annual wage earnings in Tioga County. No annual indirect economic benefits for Tioga County, New York due to the lack of fulltime permanent employment.
- The Company is offering \$5,600 per MW generated on a 16 MW facility in the first year of operation, and is including a 2% escalation rate per year for duration of thirty (30) years.
- The Company is bringing 80 construction jobs to Tioga County.
- The Company is stimulating additional 23 indirect jobs related to construction to Tioga County.
- Based on the proposed payment per MW plus escalation, the Company is requesting real property tax abatement estimated at \$316,664 over the thirty (30) year PILOT period.
- The Company is indicating that the project shows a flat revenue stream; therefore a PILOT is necessary to predict tax liability (depreciation of assets/performance).
- The Company is requesting sales tax savings estimated at \$486,144 (local portion only) for construction, materials and equipment purchases; no mortgage recording tax is requested.
- The proposed project will allow a potential savings to local electricity consumers estimated at over \$7 million over the thirty (30) year PILOT term; this calculation is based on a 10% savings on an average cost of .10/kWh, thus reducing the cost by .01/kWh to .09/kWh.
- The proposed solar array development will allow for not only the local generation of power adding to the grid reliability and resilience, but also the added benefit of continued use of the subject parcel(s) as farmland (proposed sheep grazing).
- 100% of the existing real property taxes paid by the property owner(s) will remain in place.
- The Company is agreeing to compensate local land owner(s) with over \$56,000 annual rental income, translating into \$1.7 million over the thirty (30) year lease agreement term.

- No community services are requested or required as a result of the proposed project, such as; upgrades or continued repair of roadways, increased scholastic demands or need for social benefits.
- Recent studies established by the NY Public Service Commission (PSC) have indicated that added benefits of generating clean energy include anticipated reductions in healthcare costs, declines in the cost and impact of climate change factors and other such societal benefits.



Tioga County Industrial Development Agency
May 3, 2017
Ronald E. Dougherty County Office Building
56 Main Street, Owego, NY 13827

Minutes

1. Call to Order and Introductions

The meeting was called to order by Chairperson R. Kelsey at 4:30 p.m.

2. Attendance

A. IDA Board Members

1. Roll Call: R. Kelsey, A. Gowan, T. Monell, K. Gillette, K. Dougherty, M. Sauerbrey, J. Ceccherelli

- a. Absent:
- b. Excused: K. Dougherty

2. Guests:

- a. B. Myers, L. Tinney, C. Haskell, J. Bellis, D. Chase, G. Conde, J. Meagher, M. Freeze, and N. Ruiz

M. Sauerbrey arrived at 4:32 p.m.

3. Privilege of the Floor:

J. Bellis – Larson Design Group

J. Bellis reported the following regarding *Project Freehold*:

- a. *Rendering*: The base image would be put on to a concrete deck.
- b. *Base Flood Elevation*: The 100-year flood elevation is approximately 3 ft. above street level for a total base flood elevation of 817.6 ft.
- c. *Geotech*: Finished borings on 5/1/17. Ground water around 4ft. It is possible that we could tie into the village system.
- d. *Request for Proposals*: LDG - The opinion of construction costs will be derived from the RFP.

D. Chase – Clark Patterson Lee

D. Chase presented the E-site Master Plan Update. The Plan includes a 2nd housing facility consisting of 62-units. D. Chase reported he explained the letter to SUEZ which illustrates demand and how we will handle it. Waiting for SUEZ to respond. D. Chase reported the anticipated gallons per day is 30,000, therefore, will need a 250,000-gallon tank. D. Chase presented the following options for the water tower:

1. 100 ft. water tower within the Village of Owego limits - \$1.3 million dollars.
2. 24 ft. water tower outside the Village of Owego limits - \$450,000 dollars (\$400,000 for the tank and \$50,000 for the pipe).

K. Gillette arrived at 5:18 p.m.

It is unknown as to whether the tank can be located outside the village limits. D. Chase reported the overall infrastructure (roads, water, utilities) is over \$5 million dollars with the elevated tank whereas the alternative option is under \$4 million dollars. Question was raised as to whether the IDA could annex the property over to the Village of Owego to accommodate staying within the village limits. L. Tinney reported there is a \$350,000 commitment from the State for the extension of water at this site. L. Tinney further reported she has shared this information with Congressman Reed's office as they were instrumental with this issue and the meetings with SUEZ.

G. Conde – DePaul

Ms. Conde attended today's meeting to provide a presentation on DePaul and their interest in constructing a 60-unit supported housing complex in Tioga County. Ms. Conde highlighted the following:

- DePaul is focusing on smaller communities. The intent of the project is to keep people who reside in this community to stay in the community.
- DePaul is similar to Home Leasing, LLC but on a smaller scale. DePaul is a not-for-profit for special needs housing, however, in the past ten years has expanded their housing to serve the general public. For this project, DePaul would be partnering with Home Leasing, LLC.
- Tioga County model consists of 60 units; 56 one-bedroom apartments and 4 two-bedroom apartments. 50% of these units would serve individuals with broad range disabilities. Units would be available at mid-market with 50% of the units meeting ADA standards with 4-6 units enhanced for individuals with audio and visual impairments.
- Security consists of a 24/7 front desk person, security cameras installed on the complex, and aggressive background checks for prospective tenants.
- Staffing will consist of the front desk person, as well as three housing specialists who will link tenants to services already established in the community. NYS will pay for these housing specialists via a 10-year grant and DePaul has secured a 30-year commitment. DePaul will hire staffing from the community.
- This is not public housing and is not Section 8 housing, however, will take these housing vouchers after proceeding with the aggressive vetting process. The lease agreements are the same for all tenants.

The following questions were raised in regards to the proposed project:

- **Was a study done regarding the need for this type of housing and where would the residents come from?** Ms. Conde reported a study was not done, however, she spoke with Lori Morgan, Tioga County Director of Community Services, who expressed a need as well as excitement for this type of concept in Tioga County.
- **Is DePaul aware of the fact that Tioga County does not have a public transportation system?** Ms. Conde reported DePaul is aware of this and there will be a van on-site to assist tenants with transportation, as well as assisting them in making their own transportation arrangements.
- **Why are there only four 2-bedroom apartments?** Ms. Conde reported this is to minimize the number of families with children, as more families with children would require additional amenities such as playground, etc.
- **Vetting process for sexual offenders?** Ms. Conde reported sexual offenders are not a protected class, therefore, can discriminate and DePaul does.

G. Conde departed the meeting at 5:35 p.m.

D. Chase departed the meeting at 5:35 p.m.

4. **Project Updates**

A. **Crown Cork & Seal USA, Inc. – B. Myers/J. Bellis**

1. **Ribbon Cutting** - B. Myers reported the ribbon cutting event is scheduled for 5/9/17 from 1:00 – 3:00 p.m.
2. **Update** – B. Myers reported final invoices and before/after photos are required for the grant reimbursement through ESD. J. Bellis reported Vacri Construction is able to prepare and send the final invoices, however, some of the contractual items are still outstanding. One of the outstanding items is sludge testing and at this time there is not enough sludge to test. It is anticipated that this may not occur until mid-summer. The Board had no issue with Vacri submitting the final bills and allowing the IDA to move forward with the grant reimbursement process, as the contractor has a contractual obligation to complete the outstanding items. J. Bellis will request final pay requisition from Vacri for the IDA June meeting. J. Bellis reported this project went well and was in the hands of a good contractor which resulted in the project coming in \$93,000 under budget. B. Myers reported he will provide the required before/after photos.

B. **Tioga Downs Racetrack, LLC Phase 2 & 3 – B. Myers**

1. **Update** - B. Myers reported all levels of the hotel have been constructed and work is currently being done on the inside/outside of the hotel. B. Myers reported progress is being made on the convention center and anticipated completion is slated for Fall 2017.

C. **Tioga Downs Racetrack, LLC Phase IV – B. Myers**

1. **Update** - B. Myers reported Phase IV consists of the golf clubhouse and course. B. Myers reported the old existing clubhouse has been demolished and site work is continuing. Anticipated completion for new construction is slated for Fall 2017.

D. **FedEx Project - B. Myers**

1. **Update** – B. Myers reported the ribbon cutting event was held on 4/18/17 and noted this was well attended. B. Myers thanked M. Sauerbrey and J. Ceccherelli for attending. B. Myers reported Congressman Reed was in attendance, as well as representatives from Senator Akshar’s office and Assemblyman Friend’s office.

E. **Gateway Project – B. Myers**

1. **Update** – B. Myers reported the underwriting of the project’s financial phase is currently underway. B. Woodburn, ED&P, has been working with the fund administrators.

F. **Project Freehold**

- a. **Request for Proposals – LDG** – Question was raised as to whether LDG is eligible to submit a bid in the event they are awarded the opportunity to prepare the RFP. J. Meagher reported preparing the RFP does not prohibit LDG from submitting a bid.

Motion to authorize Larson Design Group (LDG) to prepare the Request for Proposal (RFP) on Project Freehold. (M. Sauerbrey, K. Gillette)

Aye – 6 Abstain – 0
No – 0 Carried

G. **DePaul Project**

1. **Update** – B. Myers reported he drafted a letter of intent regarding the site and ordered the appraisal on 5/1/17 under the approval of the IDA Chairman, R. Kelsey. L. Tinney reported this project would be part of the 120-acre parcel located on Davis Hill Road. Further discussion was tabled for Executive Session.

H. Minka Village – Tioga Opportunities Project

1. Update – B. Myers reported the original site is located on Stanton Hill Road in the Town of Nichols, however, Tioga County Soil & Water did a site review and noted a strong possibility of a wetland issue which could pose a problem. L. Tinney reported an alternate site was pursued and they are moving forward with the alternate site, however, this site does not have infrastructure. Tioga Opportunities would need to do well and septic. L. Tinney reported ED&P is assisting Tioga Opportunities, Inc. with an application and there is no IDA involvement at this time. The project consists of 2 and 3-bedroom family type houses for a total of 12 units.

I. Upstate Shredding – B. Myers reported LeChase was awarded the construction contract for the media separation plant located at Upstate Shredding's current facility. Construction is anticipated to begin soon.

J. Owego Gardens – B. Myers reported the ribbon cutting was held earlier today and thanked R. Kelsey, M. Sauerbrey, and L. Tinney for attending the event. B. Myers reported the facility will be at 100% occupancy with a current waiting list of 145 people as of 6/1/17. B. Myers reported there is a high demand for the Owego Gardens II project.

6. Old Business – B. Myers

A. Public Authority Accountability Act

1. Audit Committee Report (R. Kelsey, K. Dougherty, A. Gowan) –
Nothing new to report.

2. Governance Committee Report (R. Kelsey, K. Dougherty, J. Ceccherelli)

a. Solar Project Policy - B. Myers reported he will prepare and distribute a solar project policy similar to the guidelines used for Distributed Sun for the Governance Committee's review. Possibility of calling a Governance Committee meeting prior to the June monthly meeting.

4. Finance Committee Report (R. Kelsey, A. Gowan, K. Gillette)
Nothing new to report.

B. E-Site Phase IB Archeological Study –

1. Update -

a. Master Plan Update – J. Meagher reviewed the Master Plan Update and determined a Full Environmental Assessment Form (Parts 1,2, & 3) will need to be done.

Motion to approve the Full EAF (Parts 1, 2 & 3) and recommend the Board issue a Negative Declaration indicating the project will have no significant adverse impacts on the environment. (A. Gowan, T. Monell)

Aye – 6 Abstain – 0
No – 0 Carried

b. Wetland Delineation Update – B. Myers reported he spoke with Fagan Engineers and the USACE will be on-site 5/31/17.

c. VIP Structures – B. Myers reported Charlie Wallace expressed possible interest in another project in Tioga County for either professional office space or extended stay facility.

C. Lounsberry 1.2A – 540 Stanton Hill Road, Nichols, NY –

1. Update

- a. **Asbestos Abatement** – B. Myers reported asbestos has been found in tiles and boards, therefore, will need to be included in the RFP for demolition of the building.
- b. **Demolition** - B. Myers reported he will draft a Scope of Work and is working on language for the RFP for J. Meagher’s review. B. Myers anticipates presenting this information at the June Board meeting.

7. PILOT Updates – B. Myers

- A. **Sun8 PDC LLC Discussion** – B. Myers reported the public hearing was held last week in the Town of Spencer. B. Myers reported the IDA received letters of support from the Town of Spencer, County of Tioga, and Spencer-VanEtten School District all expressing they were in favor of this project. B. Myers reported there is only a 10% real property tax benefit.

Motion to approve the PILOT application as received from SUN8 PDC, LLC (A. Gowan, M. Sauerbrey)

Aye – 5 Abstain – 1 (R. Kelsey)

No – 0 Carried

- B. **Owego Gardens PILOT Modification Request** – L. Tinney reported Home Leasing made a request to the Village of Owego to consider changing the classification to Senior Housing Facility, which is what was originally proposed from start of project. L. Tinney reported Owego Gardens is being charged double what was initially anticipated, therefore, creating a shortfall and hardship to make payment for the sanitary sewer and real property taxes. Changing the classification will aid with this shortfall, however, does not satisfy the \$3,200 gap in what Owego Gardens planned and can provide. L. Tinney reported she contacted all the entities involved with the PILOT (Town of Owego, County of Tioga, O-A School District, and Village of Owego) to request consideration for a payment disbursement modification in the amount of the \$3,200 shortfall. L. Tinney reported the Town of Owego and County of Tioga were agreeable to this request, however, the O-A School Board did not take any action and the Village of Owego is pending decision based on the re-classification review of Senior Facility Housing from Mixed Use. R. Kelsey reported this is a 3-year commitment, as the Village of Owego is expected to do upgrades to their wastewater treatment facility over the course of the next three years. Question was raised as to whether all entities need to be in agreement in order to proceed with the modification request. J. Meagher reported the IDA is entitled to modify the PILOT and can deviate from our Uniform Tax Exemption Policy without approval from other municipalities, however, this may not be the best course of action.

R. Kelsey reported Owego Gardens II or other potential projects would add users to the wastewater treatment facility that would hopefully result in lower rates. N. Ruiz, Village of Owego trustee, inquired as to how the classification was initially Senior Housing Facility, but ultimately ended up as Mixed Use and why this was not brought to the attention of the Village of Owego Board sooner. L. Tinney reported it was always the intent to have this project classified as Senior Housing Facility and Home Leasing was not aware that the classification was incorrect until they received their first invoice.

8. Approval of Minutes –

A. April 5, 2017 Regular Meeting Minutes

Motion to approve the April 5, 2017 Regular Board Meeting minutes

(T. Monell, M. Sauerbrey)

Aye – 6 Abstain – 0

No – 0 Carried

B. April 5, 2017 Loan Committee Meeting Minutes

Motion to approve the April 5, 2017 Loan Committee Meeting minutes

(T. Monell, M. Sauerbrey)

Aye – 6 Abstain - 0

No – 0 Carried

C. April 27, 2017 Public Hearing Minutes

Motion to approve the April 27, 2017 Public Hearing minutes related to the application for financial assistance submitted to the IDA from Sun8 PDC, LLC

(T. Monell, M. Sauerbrey)

Aye – 6 Abstain - 0

No – 0 Carried

N. Ruiz departed the meeting at 6:17 p.m.

9. Financial Reports – B. Myers presented the financial reports.

A. Reports

1. Balance Sheet – B. Myers noted the balance sheet reflects the recent loan closing activity.

2. Profit & Loss

3. Transaction Detail – Question was raised regarding the \$0.00 check. B. Myers explained a check was inadvertently cut to the wrong vendor, therefore, was VOIDED and re-issued accordingly.

Motion to acknowledge financial statements (T. Monell, A. Gowan)

Aye – 6 Abstain – 0

No – 0 Carried

10. New Business – J. Meagher

A. DOL Public Work Enforcement Fund – B. Myers reported the IDA received a letter from Department of Labor indicating a percentage payment is owed on each public works project the IDA engaged in. J. Meagher reported Brian McMahon, NYS EDC, is researching this, as no one has heard of this or paid such a fee. J. Meagher reported this would involve only the projects constructed on the IDA's behalf.

B. Easement Request – Tioga County Information Technology – B. Myers reported the Tioga County Information Technology Department is requesting an easement for the fiber extension on Glenmary Drive/Goodrich Settlement Road. B. Myers reported the railroad was agreeable and J. Meagher did not foresee an issue.

Motion to approve easement request for Tioga County Information Technology for the fiber extension on Glenmary Drive/Goodrich Settlement Road (K. Gillette, T. Monell)

Aye – 6 Abstain – 0
No – 0 Carried

11. Reports

A. Railroads – B. Myers

1. Committee Report (T. Monell, K. Gillette)

a. Income to Date – B. Myers reviewed the income to date chart and indicated the IDA is ahead of where we were last year at this time.

B. Loan Program – B. Myers

1. Committee Report (R. Kelsey, A. Gowan, K. Dougherty, D. Barton, S. Thomas)

a. Income to Date:

- i. LINC Report** – B. Myers reported the USDA LINC Report was completed on 4/21/17.
- ii. R&C Auto** – B. Myers reported the \$40,000 loan closed on 4/19/17.
- iii. Granite Works** – B. Myers reported the \$100,000 loan closed on 4/26/17.
- iv. Tioga Gardens** – B. Myers reported the \$20,000 loan closed on 4/26/17.
- v. Stiletto's Hair & Nails** – B. Myers reported the \$23,500 loan closed on 5/3/17.
- vi. Tioga Downs – Revolving Loan Fund Scope of Work** – The establishment of a Revolving Loan Fund to be used regionally was part of the Tioga Downs gaming license application. B. Myers reported the Loan Committee met last month and is starting to work together on developing a Scope of Work for this \$500,000 Revolving Loan Fund.

12. Executive Session –

Motion to move into Executive Session at 6:24 p.m. pursuant to Public Officers Law Section 105 to discuss financial matters and property acquisitions. (T. Monell, J. Ceccherelli)

Aye – 6 Abstain – 0
No – 0 Carried

Motion to exit Executive Session at 6:34 p.m. (J. Ceccherelli, M. Sauerbrey)

Aye – 6 Abstain – 0
No – 0 Carried

Motion to authorize purchase of 19.8 acres located in the Town of Nichols not to exceed \$238,900 (J. Ceccherelli, M. Sauerbrey)

Aye – 6 Abstain – 0
No – 0 Carried

13. Next Meeting – Wednesday, June 7, 2017

14. Adjournment –

Motion to adjourn at 6:37 p.m. (K. Gillette, R. Kelsey)

Aye – 6 Abstain – 0
No – 0 Carried