

**County of Clinton Industrial Development Agency
Report of Public Hearing
Regarding CHPE, LLC
November 10, 2021**

The public hearing was called to order by Michael Zurlo, acting as Interim Executive Director of the County of Clinton Industrial Development Agency (CCIDA) at 10:00 a.m., at the Town of Plattsburgh Town Hall located at 151 Banker Road in the Town of Plattsburgh, Clinton County, New York.

Present: Michael E. Zurlo, Interim Executive Director, CCIDA
Toni Moffat, Executive Assistant, CCIDA
Dorothy Brunell, Administrative Assistant, CCIDA
Brian Dowling, Town of Plattsburgh
Garry Douglas, President & CEO, North Country Chamber of Commerce
Sam Dyer, Supervisor, Town of Beekmantown
William McGahay, Compass Point Public Affairs, Representing Hydro-Quebec
Josh Bagnato, Transmissions Developers, Inc., for CHPE, LLC

My name is Michael E. Zurlo, and I am acting as Interim Executive Director to County of Clinton Industrial Development Agency (the "Agency") in connection with the Project which is the subject of this public hearing.

Today I am holding this Public Hearing to allow citizens to make a statement, for the record, relating to the involvement of the Agency with a Project (the "Proposed Project") for the benefit of CHPE LLC, a New York State limited liability company (the "Company").

The Proposed Project consists of the following: (A) (1) the acquisition of an interest or interests in the Company's interest in various parcels of land spanning across approximately 35 miles of land in the Village of Rouses Point, Town of Champlain, Town of Chazy, Town of Beekmantown, Town of Plattsburgh, Town of Peru, and Town of Ausable, Clinton County, New York (collectively, the "Land"), (2) the construction, installation and equipping on or under the Land of a fully-buried, up to 1,250-megawatt ("MW") HVDC electric transmission line and related infrastructure (collectively, the "Improvements") and (3) the acquisition and installation thereon and therein of certain related machinery and equipment, including but not limited to, two (2) five-inch diameter high-voltage direct current ("HVDC") transmission cables (collectively, the "Equipment") (the Land, the Improvements and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to be used and operated by the Company as a portion of an electric power transmission line from the U.S.-Canada border to New York City; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

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

Legal Authorization and Powers of the Agency

The provisions of Chapter 1030 of Laws of 1969 of New York, constituting Title I of Article 18-A

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

Purpose of this Public Hearing

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

After consideration of the Application received from the Company, the members of the Agency adopted a resolution on October 14, 2020 (the "Public Hearing Resolution") authorizing the Executive Director of the Agency to conduct this Public Hearing with respect to the Proposed Project pursuant to Section 859-a(2) of the Act.

The Interim Executive Director of the Agency caused notice of this Public Hearing to be (A) mailed on October 26, 2021 to the chief executive officers of Clinton County, the Village of Rouses Point, the Town of Champlain, the Town of Chazy, the Town of Beekmantown, the Town of Plattsburgh, the Town of Peru, the Town of Ausable and to the school districts of Northeastern Clinton Central School District, Chazy Central Rural School, Beekmantown Central School District, Saranac Central School District, Peru Central School District and Ausable Valley Central School District, Clinton County, New York and (B) published on October 28, 2021 in The Press Republican, a newspaper of general circulation available to the residents of the Clinton County, New York. In addition, the Interim Executive Director of the Agency caused notice of this Public Hearing to be posted on: (1) October 26, 2021 on public bulletin boards located at (a) 10729 Route 9 in the Town of Champlain and (b) Beekmantown Town Hall in the Town of Beekmantown, (2) October 27, 2021 on public bulletin boards located at (a) Town Clerk Bulletin Board located in the Town of Plattsburgh and (b) 9631 State Route 9 in the Town of Chazy and (3) October 28, 2021 on public bulletin boards located at (a) the Peru Town Hall in the Town of Peru, (b) the Ausable Town Hall in the Town of Ausable and (c) the Rouses Point Village Offices in the Village of Rouses Point, Clinton County, New York and on October 26, 2021 on the Agency's website.

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

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

Public Hearing Notice

Notice is hereby given that a public hearing pursuant to Section 859-a(2) of Article 18-A of the General Municipal Law of the State of New York (the "Act") will be held by County of Clinton Industrial Development Agency (the "Agency") on the 10th day of November 2021 at 10:00 o'clock a.m., local time, at the Town of Plattsburgh Town Hall located at 151 Banker Road in the Town of Plattsburgh, Clinton County, New York in connection with the following matters:

CHPE LLC, a New York State limited liability company (the "Company"), submitted an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a Project (the "Project") for the benefit of the Company, said Project consisting of the following: (A)(1) the acquisition of an interest or interests in the Company's interest in various parcels of land spanning across approximately 35 miles of land in the Village of Rouses Point, Town of Champlain, Town of Chazy, Town of Beekmantown, Town of Plattsburgh, Town of Peru, and Town of Ausable, Clinton County, New York (collectively, the "Land"), (2) the construction, installation and equipping on or under the Land of a fully-buried, up to 1,250-megawatt ("MW") HVDC electric transmission line and related infrastructure (collectively, the "Improvements") and (3) the acquisition and installation thereon and therein of certain related machinery and equipment, including but not limited to, two (2) five-inch diameter high-voltage direct current ("HVDC") transmission cables (collectively, the "Equipment") (the Land, the Improvements and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to be used and operated by the Company as a portion of an electric power transmission line from the U.S.-Canada border to New York City; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

The Agency is considering whether (A) to undertake the Project, and (B) to provide certain exemptions from taxation with respect to the Project, including (1) exemption from mortgage recording taxes with respect to any documents, if any, recorded by the Agency with respect to the Project in the office of the County Clerk of Clinton County, New York or elsewhere, (2) exemption from transfer taxes on any real estate transfers, if any, with respect to the Project, (3) exemption from sales taxes relating to the acquisition, construction, equipping and installation of the Project Facility, and (4) in the event that the Project Facility would be subject to real property taxation if owned by the Company but shall be deemed exempt from real property taxation due to the involvement of the Agency therewith, exemption from real property taxes (but not including special assessments and special ad valorem levies), if any, with respect to the Project Facility, subject to the obligation of the Company to make payments in lieu of taxes with respect to the Project Facility. If any portion of the Financial Assistance to be granted by the Agency with respect to the Project is not consistent with the Agency's uniform tax exemption policy, the Agency will follow the procedures for deviation from such policy set forth in Section 874(4) of the Act prior to granting such portion of the Financial Assistance.

If the Agency determines to proceed with the Project, the Project Facility will be acquired, constructed, equipped and installed by the Agency and will be leased by the Agency to the Company or its designee pursuant to a lease agreement requiring the Company or its designee to make certain payments to the Agency (the "Lease Agreement") and consistent with a Project agreement (the "Project Agreement") regarding the terms of the granting by the Agency of the Financial Assistance to the Company.

The Agency has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law (the "SEQR Act") regarding the potential environmental impact of the Project.

The Agency will at said time and place hear all persons with views on either the location and nature of the proposed Project, or the Financial Assistance being contemplated by the Agency in connection with the proposed Project. A copy of the Application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the offices of the Agency. A transcript or summary report of the hearing will be made available to the members of the Agency.

Additional information can be obtained from, and written comments may be addressed to: Michael E. Zurlo, Interim Executive Director, County of Clinton Industrial Development Agency, 137 Margaret Street, Suite 209, Plattsburgh, New York 12901; Telephone: 518-565-4600.

Dated: October 26, 2021.

The comments received today at this Public Hearing will be presented to the members of the Agency at or prior to the meeting at which the members of the Agency will consider whether to approve the undertaking of the Proposed Project by the Agency and the granting by the Agency of any "financial assistance" in excess of \$100,000 with respect to the Proposed Project.

Written Comments

The notice of this Public Hearing indicated that written comments could be addressed to: Michael E. Zurlo, the Interim Executive Director of the Agency. No written comments have been received by the Agency prior to this Public Hearing.

Remarks by the Company

I will now introduce Josh Bagnato of the Company, who will describe the Proposed Project in further detail.

Josh Bagnato, Vice President of Development for Transmissions Developers, Inc., who are the developers for Champlain Hudson Power Express (CHPE), stated that the Project consists of a 339 mile buried, high-voltage transmission line, which originates for the United States at the Canadian border in Lake Champlain and travels 339 miles to its terminus in Astoria, New York City, which is in the borough of Queens. The Project has been in development for roughly a decade, and it is fully permitted by the State of New York, the United States Department of Energy, the United States Army Corp of Engineers, as well as many other secondary approvals. Recently, this transmission line, in partnership with Hydro-Quebec, was selected by New York State Energy Research Development and Authority (NYSERDA) and Governor Kathy Hochul as the winner of a Tier 4 RFP to build transmission lines into New York City. This Project will bring renewable energy into New York City based on a need, as well as the Climate Leadership and Community Protection Act (CLCPA) law whereby the State must meet certain renewable energy requirements within specific timeframes. Currently, New York City is run on approximately 90 percent fossil fuels. In order to meet the State's goals, they need to reduce fossil fuel usage and switch to renewable energy sources for power. They are currently completing contracts with the State and then those contracts will go to the Public Service Commission for review and, hopefully, approval.

The Project in Clinton County will have no on-land construction and will run for 35 miles in Lake Champlain. It is anticipated that construction will take two seasons. The first season will consist of some pre-construction work, roughly one month's worth of work in Lake Champlain, and the second season will involve two months of installing the cable. Once the Project is constructed, it will operate for a minimum of 30 years, but it will likely operate much longer than that. This Project will result in no strain of municipal services within Clinton County. The total construction cost of Clinton County's portion of the Project is estimated at approximately \$135 million and will provide approximately \$64 million in tax revenues over the 30-year period. This tax revenue will go to the various tax jurisdictions. Many jobs will also be created during construction; i.e., approximately 1,400 jobs across the entire Project. The Project will also result in ancillary economic benefits for Clinton County.

The Project schedule currently calls for the financial closing in the First Quarter of 2022. Construction will begin in the Spring of 2022 in Washington County, in the town of Putnam, and will run through to Whitehall. They do not anticipate beginning work in the lake until 2023 and that date could possibly shift to 2024. The State is counting on the Project being operational by 2025. J. Bagnato expressed his appreciation for the County's cooperation with the Project.

Open Public Hearing to the Floor for Comments

I will now open this Public Hearing for public comment at 10:14 o'clock, a.m.

By way of operating rules, if you wish to make a public comment, please raise your hand, and I will call on you. Please wait to be recognized, once recognized, please stand and state your name and address for the record.

When everyone has had the opportunity to speak, I will conclude this Public Hearing. A record of this Public Hearing will be prepared and reviewed by the members of the Agency in connection with the Agency's consideration of the Proposed Project.

Again, the purpose of this Public Hearing is to solicit public comment. We are not here to answer questions. However, we will in the course of this Public Hearing consider questions if we have the information to answer the questions and there is sufficient time to consider such questions.

I will now ask if there is anyone in attendance who wishes to comment on either on the nature and location of the Project Facility or the proposed "financial assistance" being contemplated by the Agency with respect to the Proposed Project.


For the record, please state your name and indicate your comments on either the Proposed Project or the proposed "financial assistance" being contemplated by the Agency with respect to the Proposed Project.

Garry Douglas, President and CEO of the North Country Chamber of Commerce, expressed the Chamber's enthusiastic support for the Project. He outlined the Project benefits including the revenue to local municipalities and school districts. Also, he noted there will be no local disruptions caused by this Project as it will be out in the lake and no one will even see it. The Project is remarkably well designed and creative and will be unlike other Projects coming out of Quebec which have been on transmission lines that no one likes to have running through their area. The Project has won environmental support from the Lake Champlain Association and others. The Project will provide a massive amount of clean energy to the State of New York which is very much needed, especially now as we step-up the transition to higher and higher levels of clean energy. Even though the power is going to New York City, it will free-up other sources of clean energy for the rest of the State that otherwise would have gone to the city. Finally, this Project serves to further build the New York State/Quebec relationship which ultimately benefits the North Country. G. Douglas thanked the IDA for its collaboration in helping to facilitate this Project.

Sam Dyer, 227 Duquette Road, West Chazy, stated that he was attending as a representative of the Town of Beekmantown, but that he makes his living off the land. He stated that back in 1993, he was not in favor of Falcon Seaboard coming to the area. He does not know of a farm in this area that doesn't have a major transmission line running through it. This Project makes total sense and is the way to go. It is not affecting any farms or landowners.

Formal closure of the public hearing

So, if there are no further comments, I will now close this Public Hearing at 10:37 o'clock, a.m.
Thank you for attending.



Dorothy Brunell
Administrative Assistant, County of Clinton IDA