

**PILOT DEVIATION NOTICE RESOLUTION VERMONT GREEN LINE DEVCO, LLC
PROJECT**

A regular meeting of County of Clinton Industrial Development Agency (the "Agency") was convened in public session in the offices of the Agency located at 190 Banker Road, Suite 500 in the Town of Plattsburgh, Clinton County, New York on December 14, 2015 at 12:00 o'clock p.m., local time.

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

PRESENT:

Trent Trahan	Chairman
David Hoover	Vice Chairman
Michael E. Zurlo	Secretary
Keith Defayette	Treasurer
Kim Murray	Assistant Secretary
Mark Leta	Member

EXCUSED:

John VanNatten	Member
----------------	--------

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Roseanne Murphy	Executive Director
Barbara Shute	Recording Secretary
George W. Cregg, Jr., Esq.	Agency Counsel

The following resolution was offered by K. Defayette, seconded by D. Hoover, to wit:

Resolution No. 12-15-06

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

WHEREAS, County of Clinton Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 225 of the 1971 Laws of New York, as amended, constituting Section 895-f of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

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

WHEREAS, Vermont Green Line Devco, LLC, a Delaware limited liability company (the “Company”), has submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in an approximately 5 acre portion of an approximately 262 acre parcel of land located at 82 Jersey Swamp Road (Tax Map # 179.-4-1.1) in the Town of Beekmantown, Clinton County, New York (the “Land”), (2) the construction on the Land of an approximately 37,500 square foot converter station (the “Facility”), (3) the installation of approximately nine miles of transmission cable through various public roads and waterways located in the Town of Beekmantown, Clinton County, New York (collectively, the “Cable”) and (4) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”) (the Land, the Facility, the Cable and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to constitute an high-voltage-direct-current electricity line to transmit wind and hydro power and other directly and indirectly related activities; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, in connection with the Application, the Company has made a request to the Agency (the “Pilot Request”) to deviate from the its uniform tax exemption policy (the “Policy”) with respect to the payments to be made under a payment in lieu of tax agreement by and between the Agency and the Company (the “Proposed Pilot Agreement”); and

WHEREAS, pursuant to the Pilot Request, the Proposed Pilot Agreement would be for a term of 16 years with the Company generally paying 25% abatement in real property taxes on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law (collectively with the Facility, the “Improvements”) in year one of the Proposed Pilot Agreement with a five percent per year increase over the term of the Proposed Pilot Agreement as more particularly described in the proposed pilot table attached hereto as Exhibit A; and

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

WHEREAS, pursuant to Section 874(4) of the Act and the Agency’s Policy, prior to taking final action on such request for a deviation from the Agency’s Policy, the Agency must give the chief executive officers of the County and each city, town, village and school district in which the Project Facility is located (collectively, the “Affected Tax Jurisdictions”) no fewer than thirty (30) days prior written notice of the proposed deviation from the Agency’s Policy and the reasons therefor; and

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

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

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

Section 2. This Resolution shall take effect immediately.

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

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

The foregoing Resolution was thereupon declared duly adopted.


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

I, the undersigned Secretary of County of Clinton Industrial Development Agency (the “Agency”), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on December 14, 2015 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the “Open Meetings Law”), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 14th day of December, 2015.


Michael E. Zurlo, Secretary

(SEAL)

EXHIBIT A

PROPOSED PILOT TABLE

Exemption	PILOT Payment	Full Tax (est.)	Tax Incentive – abated taxes
75%	\$1,195,192	\$4,780,768	\$3,585,576
70%	1,462,915	4,876,383	3,413,468
65%	1,740,869	4,973,911	3,233,042
60%	2,029,356	5,073,390	3,044,034
55%	2,328,685	5,174,955	2,846,170
50%	2,639,177	5,278,354	2,639,177
45%	2,961,156	5,383,920	2,422,764
40%	3,294,959	5,491,598	2,196,639
35%	3,640,930	5,601,431	1,960,501
30%	3,999,422	5,713,460	1,714,038
25%	4,370,797	5,829,729	1,456,932
20%	4,755,427	5,944,284	1,188,857
15%	5,153,694	6,063,169	909,475
10%	5,565,989	6,184,432	618,717
5%	5,992,715	6,308,121	315,406
0%	6,434,284	6,434,284	0
	\$57,565,567	\$89,110,189	\$31,544,796

EXHIBIT B
PROPOSED FORM OF PILOT DEVIATION LETTER

COUNTY OF CLINTON INDUSTRIAL DEVELOPMENT AGENCY

190 Banker Road
Suite 500
Plattsburgh, New York 12901
TEL: 518-563-3100
FAX: 518-562-2232

December ____, 2015

Samuel R. Dyer, Chairperson, Clinton County
Legislature
Clinton County Government Center
137 Margaret Street, Suite 208
Plattsburgh, New York 12901

Michael E. Zurlo, County Administrator
Clinton County Government Center
137 Margaret Street
Plattsburgh, New York 12901

Dan Mannix, Superintendent
Beekmantown Central School District
37 Eagle Way
West Chazy, New York 12992

Andrew Brockway, School Board President
Beekmantown Central School District
37 Eagle Way
West Chazy, New York 12992

Dennis J. Relation, Supervisor
Town of Beekmantown
571 Spellman Road
Beekmantown, New York 12901

RE: Proposed Deviation from Uniform Tax Exemption Policy by
County of Clinton Industrial Development Agency
in connection with the Vermont Green Line Devco, LLC Project

Dear Ladies and Gentlemen:

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

Vermont Green Line Devco, LLC, a Delaware limited liability company (the "Company"), has submitted an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: Vermont Green Line Devco, LLC, a Delaware limited liability company (the "Company"), has submitted an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in an approximately 5 acre portion of an approximately 262 acre parcel of land located at 82 Jersey Swamp Road (Tax Map # 179.-4-1.1) in the Town of Beekmantown, Clinton County, New York (the "Land"), (2) the construction on the Land of an approximately 37,500 square foot converter station (the "Facility"), (3) the installation of approximately nine miles of transmission cable through various public roads and waterways located in the Town of Beekmantown, Clinton County, New York (collectively, the "Cable") and (4) the acquisition and installation therein and thereon of certain machinery and equipment (the

Samuel R. Dyer, Chairperson, Clinton County Legislature
 Michael E. Zurlo, County Administrator
 Dennis Relation, Supervisor
 Dan Mannix, Superintendent
 Andrew Brockway, School Board President
 December ____, 2015
 Page 2

“Equipment”) (the Land, the Facility, the Cable and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to constitute an high-voltage-direct-current electricity line to transmit wind and hydro power and other directly and indirectly related activities; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

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

The Proposed Pilot Agreement would not provide any abatements for any special assessments levied on the Project Facility. The Proposed Pilot Agreement would be for a term of 16 years, with the Company making the payments in each year as a Pilot Payment to each Affected Tax Jurisdiction as follows:

Exemption	PILOT Payment	Full Tax (est.)	Tax Incentive – abated taxes
75%	\$1,195,192	\$4,780,768	\$3,585,576
70%	1,462,915	4,876,383	3,413,468
65%	1,740,869	4,973,911	3,233,042
60%	2,029,356	5,073,390	3,044,034
55%	2,328,685	5,174,955	2,846,170
50%	2,639,177	5,278,354	2,639,177
45%	2,961,156	5,383,920	2,422,764
40%	3,294,959	5,491,598	2,196,639
35%	3,640,930	5,601,431	1,960,501
30%	3,999,422	5,713,460	1,714,038
25%	4,370,797	5,827,729	1,456,932
20%	4,755,427	5,944,284	1,188,857
15%	5,153,694	6,063,169	909,475
10%	5,565,989	6,184,432	618,717
5%	5,992,715	6,308,121	315,406
0%	6,434,284	6,434,284	0
	\$57,565,567	\$89,110,189	\$31,544,796

The Policy provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: the Policy provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: the Company would have the benefit of a 50% abatement in real property taxes on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law (collectively with the

Samuel R. Dyer, Chairperson, Clinton County Legislature
Michael E. Zurlo, County Administrator
Dennis Relation, Supervisor
Dan Mannix, Superintendent
Andrew Brockway, School Board President
December ____, 2015
Page 3

Facility, the “Improvements”) in year one of the payment in lieu of tax agreement with a five percent per year increase over the term of the ten year payment in lieu of tax agreement.

The purpose of this letter is to inform you of such Pilot Request and that the Agency is considering whether to grant the Pilot Request and to approve a Proposed Pilot Agreement conforming to the terms of the Pilot Request. The Agency expects to consider whether to approve the terms of the Proposed Pilot Agreement at its meeting scheduled for February 8, 2016 at 12:00 p.m., local time at the offices of the Agency located in the offices of the Issuer located at 190 Banker Road, Suite 500 in the Town of Plattsburgh, Clinton County, New York (the “Meeting”) (the “Meeting”). This letter is forwarded to you for purposes of complying with Section 874 of the General Municipal Law of the State of New York, which requires a thirty (30) day notice prior to the Agency taking final action with respect to the Proposed Pilot Agreement (if said Proposed Pilot Agreement may deviate from the provisions of the Agency’s Uniform Tax Exemption Policy).

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

1. **The nature of the Project:** High voltage direct current electricity transmission line to transmit wind and hydro power.
2. **The present use of the property:** Vacant.
3. **The economic condition of the area at the time of the request of the Company and the economic multiplying effect that the Project will have on the area:**
4. **The extent to which the Project will create or retain permanent, private sector jobs and the number of jobs to be created or retained and the salary range of such jobs:** Creation of approximately 1-2 full time jobs paying over \$_____ per year.
5. **The estimated value of new tax exemptions to be provided:** Real property tax exemption benefit of approximately \$32,000,000, sales tax exemption benefit of approximately \$9,000,000 and mortgage recording tax exemption benefit of approximately \$2,000,000.
6. **The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions:**
7. **The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity:**
8. **The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement:**
9. **The effect of the Proposed Pilot Agreement on the environment:**
10. **Project Timing:**

Samuel R. Dyer, Chairperson, Clinton County Legislature
Michael E. Zurlo, County Administrator
Dennis Relation, Supervisor
Dan Mannix, Superintendent
Andrew Brockway, School Board President
December ____, 2015
Page 4

11. The extent to which the Proposed Pilot Agreement will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services:

12. Anticipated tax revenues:

13. The extent to which the Proposed Pilot Agreement will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the Project Facility is located:

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

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

Sincerely yours,

Roseanne Murphy
Executive Director