

Resolution Approving The Terms And Conditions Of Certain Pilot Agreement To Be Entered Into Between Ulster County Industrial Development Agency And Central Hudson Gas & Electric Corporation In Connection With The Central Hudson Gas & Electric Corporation Project

The Economic Development Tourism Committee (Chairman Maloney and Legislators Frey, Hayes, Aiello, Sweeney, Terrizzi and Donaldson, Loughran, and Rodriguez) offers the following:

BE IT ENACTED by the County Legislature of Ulster County, New York (the "County Legislature"), as follows:

WHEREAS, pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended (the "Enabling Act") and Chapter 787 of the 1976 Laws of New York, as amended, constituting Section 923 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act"), the County Legislature has heretofore appointed the Chairman and members of Ulster County Industrial Development Agency (the "Agency") and has duly caused to be filed in the office of the Secretary of State of the State of New York the certificates required by Section 856 of the Act; 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, in March, 2011, Central Hudson Gas & Electric Corporation (the "Company") 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 a parcel of land containing approximately 20 acres located at Tomson Road and NYS Route 212 (SBL Parcel Nos. 17.16-2-22, and portions of 18.1-4-18.2, 18.1-4-18.1 and 18.1-4-5) in the Town of Saugerties, Ulster County, New York (the "Land"), (2) the construction on the Land of a 69kV-13.8kV electric substation along the existing 69kV transmission line (the "Facility") and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to be used by the Company as an electric substation for the transmission of electric power and for related uses; (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

Resolution No. 198 September 20, 2011

Resolution Approving The Terms And Conditions Of Certain Pilot Agreement To Be Entered Into Between Ulster County Industrial Development Agency And Central Hudson Gas & Electric Corporation In Connection With The Central Hudson Gas & Electric Corporation Project

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 undertaking of the Project, the Company will execute and deliver a certain payment in lieu of tax agreement (the “PILOT Agreement”) by and between the Agency and the Company pursuant to which the Company will agree to pay certain payments in lieu of taxes with respect to the Project Facility; and

WHEREAS, the Company is seeking to have the PILOT Agreement provide (A) for a ten (10) year tax exemption for the Project Facility, during which (B) the Company will make fixed payments in lieu of taxes to the affected tax jurisdictions with respect to the Project Facility, said fixed payments to equal the respective amounts set forth opposite the respective tax years in the following table:

School Tax Year	Payment in Lieu of Tax Amount Saugerties Central School District	Tax Year Ulster County/Town of Saugerties	Payment in Lieu of Tax Amount Ulster County/Town of Saugerties
2013	\$191,984	2013	100% of Normal Taxes
2014	\$195,823	2014	\$101,506
2015	\$199,740	2015	\$103,536
2016	\$203,735	2016	\$105,607
2017	\$207,809	2017	\$107,719
2018	\$211,966	2018	\$109,873
2019	\$216,205	2019	\$112,071
2020	\$220,529	2020	\$114,312
2021	\$224,940	2021	\$116,598
2022	\$229,438	2022	\$118,930
2023	100% of Normal Taxes	2023	\$121,309
2024	100% of Normal Taxes	2024	100% of Normal Taxes

Resolution No. 198 September 20, 2011

Resolution Approving The Terms And Conditions Of Certain Pilot Agreement To Be Entered Into Between Ulster County Industrial Development Agency And Central Hudson Gas & Electric Corporation In Connection With The Central Hudson Gas & Electric Corporation Project

WHEREAS, these payment terms constitute a deviation from the Agency's Uniform Tax Exemption Policy (the "Policy"); and

WHEREAS, under the Agency's Policy, prior to entering into a payment in lieu of tax agreement that deviates from the Policy's standard payment terms, the Agency shall (1) notify each affected tax jurisdiction, and (2) attempt to obtain the written consent of all the affected tax jurisdictions; and

WHEREAS, Section 858(15) of the General Municipal Law provides that, unless otherwise agreed by the affected tax jurisdictions, a payment in lieu of tax agreement must provide that all amounts received thereunder must be allocated among the affected tax jurisdictions in proportion to the amount of real property taxes and other taxes which would have been received by each affected tax jurisdiction had the project not been tax exempt due to the status of the agency involved in the project; and

WHEREAS, the Agency desires that Ulster County, through its County Legislature, as one of the affected tax jurisdictions with respect to the Project Facility, adopt a resolution indicating whether the County Legislature agrees to the terms of the proposed PILOT Agreement;

WHEREAS, the Economic Development and Tourism Committee has met and reviewed said request with a majority of the members voting approval, and

WHEREAS, the Ways and Means Committee has met and reviewed said request with a majority of the members voting approval.

NOW, THEREFORE, BE IT RESOLVED by the County Legislature, as follows:

Section 1. For the purpose of satisfying the requirements contained in the Agency's Policy and the provisions of Section 858(15) of the General Municipal Law, the County Legislature hereby approves the terms and conditions of the proposed PILOT Agreement, including the proposed deviation from the Agency's Policy outlined above.

Resolution No. 198 September 20, 2011

Resolution Approving The Terms And Conditions Of Certain Pilot Agreement To Be Entered Into Between Ulster County Industrial Development Agency And Central Hudson Gas & Electric Corporation In Connection With The Central Hudson Gas & Electric Corporation Project

Section 2. The Chairman of the County Legislature is hereby authorized, on behalf of the County Legislature, to execute and deliver the PILOT Agreement, said PILOT Agreement to contain the payment terms substantially in the form thereof presented at this meeting, with such changes, variations, omissions and insertions as the Chairman of the County Legislature shall approve, the execution thereof by the Chairman of the County Legislature to constitute conclusive evidence of such approval.

Section 3. The officers, employees and agents of the County Legislature are hereby authorized and directed for and in the name and on behalf of the County Legislature to do all acts and things required or provided for by the applicable provisions of this Resolution in order to ensure compliance with such provisions as they relate to the execution and delivery of the PILOT Agreement, and to execute and deliver all such additional certificates, instruments and documents, and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution.

Section 4. This resolution shall take effect immediately,
and moves its adoption.

ADOPTED BY THE FOLLOWING VOTE:

AYES: 27 NOES: 2
(NOES: Legislators Rodriguez and Shapiro)
(Absent: Legislators Frey, Gerentine, Petit and
Stoeckeler)

FINANCIAL IMPACT:

\$45,748 .00 – APPROXIMATE ADDITIONAL REVENUE DOLLARS

BEGINNING 2013 + 2% INCREASE ANNUALLY FOR 10 YEARS

Resolution No. 198 September 20, 2011

Resolution Approving The Terms And Conditions Of Certain Pilot Agreement To Be Entered Into Between Ulster County Industrial Development Agency And Central Hudson Gas & Electric Corporation In Connection With The Central Hudson Gas & Electric Corporation Project

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

I, the undersigned Clerk of the Ulster County Legislature, DO HEREBY CERTIFY that the preceding Resolution was duly adopted by the Ulster County Legislature at a regular meeting of the said Ulster County Legislature duly called and held on September 20, 2011; that said Resolution was entered in the minutes of said meeting; and that I have compared the foregoing copy with the original thereof now on file in my office and that the same is a true and correct transcript of said Resolution and of the whole thereof.

I FURTHER CERTIFY that (A) all members of said Ulster County Legislature 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 public notice of the time and place of said meeting was duly given to the public and the news media as required by the Open Meetings Law; and (D) there was a quorum of the members of the Ulster County Legislature 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 Ulster County, New York this 21st day of September, 2011.

BY: /s/ Karen L. Binder
Clerk of the County Legislature of Ulster
County, New York

(SEAL)

Resolution No. 198 September 20, 2011

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STATE OF NEW YORK

ss:

COUNTY OF ULSTER

This is to certify that I, the undersigned Clerk of the Legislature of the County of Ulster have compared the foregoing resolution with the original resolution now on file in the office of said clerk, and which was adopted by said Legislature on the 20th day of September, 2011, and that the same is a true and correct transcript of said resolution and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the County of Ulster this 21st Day of September in the year Two Thousand and Eleven.

/s/ Karen L. Binder

Karen L. Binder, Clerk
Ulster County Legislature

Submitted to the County Executive this

21st Day of September, 2011.

/s/ Karen L. Binder

Karen L. Binder, Clerk
Ulster County Legislature

Approved by the County Executive this

30th Day of September, 2011.

/s/ Michael P. Hein

Michael P. Hein, County Executive