

**PILOT DEVIATION NOTICE RESOLUTION  
MATRIX MAPLE DEVELOPMENT, LLC PROJECT**

A regular meeting of the Town of Montgomery Industrial Development Agency (the "Agency") was convened (i) in public session in the Town Hall located at 110 Bracken Road in the Town of Montgomery, Orange County, New York and (ii) by video conference in accordance with Governor Cuomo's Executive Orders Nos. 202.1 and 202.15, on June 9, 2020 at 3:00 O'clock a.m., local time.

The meeting was called to order by the Chair of the Agency and, upon roll being called, the following members of the Agency were:

**PRESENT:**

Jeffrey D. Crist	Chairperson
Edwin Williams	First Vice Chairperson
John W. Dickson	Second Vice Chairperson
Matthew P. Stoddard	Treasurer
Robert Santo	Member
Randi Greene	Member
Donald Berger	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Sue Hadden	Secretary
Robert J. McLaughlin, Esq.	Agency Counsel

The following resolution was offered by Member Santo, seconded by Member Dickson, to wit:

Resolution No. 0620-01

RESOLUTION AUTHORIZING THE CHAIR OR ANY VICE CHAIR OR OFFICER OF THE TOWN OF MONTGOMERY INDUSTRIAL DEVELOPMENT AGENCY 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 MATRIX MAPLE DEVELOPMENT, LLC PROJECT.

WHEREAS, Town of Montgomery 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 527 of the 1971 Laws of New York, as amended, constituting Section 911-c 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 commercial, manufacturing 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 and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, in November, 2019, Matrix Maple, LLC a New York limited liability company (the "Company") or such other person(s) or entities as may be designated by the Company and agreed upon by the Agency (collectively, the "Company"), submitted an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency and on the Agency website ([www.montgomeryida.com](http://www.montgomeryida.com)), requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) the acquisition of an interest in an approximately 26 acre portion of an approximately 59.70 acre parcel of land located at 59 Maple Avenue (currently being a portion of tax map no. 31-1-94.2) in the Town of Montgomery, Orange County, New York (the "Land"), (2) the construction on the Land of an up to 4.9 MWAC solar community solar project (the "Facility") and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Equipment") (the Land, the Facility, and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to constitute a community solar system 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, by resolution adopted by the members of the Agency on November 12, 2019 (the "Public Hearing Resolution"), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chairperson of the Agency (A) caused notice of a public hearing of the Agency (the "Public Hearing") pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the Financial Assistance being contemplated by the Agency with respect to the Project, to be mailed and hand delivered on November 21, 2019 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located; (B) caused notice of the Public Hearing to be posted on November 19, 2019 on a bulletin board located at Town Hall located at 110 Bracken Road in the Town of Montgomery, Orange County, New York and to the Agency website on November 20, 2019; (C) caused notice of the Public Hearing to be published on November 20, 2019 in the Times Community and Wallkill Valley Times, newspapers of general circulation available to the residents of the Town of Montgomery, Orange County, New York; (D) conducted the Public Hearing on December 3, 2019 at 6:00 o'clock p.m., local time at the office of the Agency located at 110 Bracken Road in the Town of Montgomery, Orange County, New York; and (E) prepared a report of the Public Hearing (the "Hearing Report") fairly summarizing the views presented at such Public Hearing and caused copies of said Hearing Report to be made available to the members of the Agency; and

WHEREAS, in connection with the Application, the Company has made a request to the Agency (the "Pilot Request") at the Agency's regular meeting held on May 12, 2020, to deviate from 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 Section 874(4) of the Act and the Policy, prior to taking final action on the Pilot Request for a deviation from the Policy, the Agency must give the chief executive officers of the County and each city, town, village and school district in which the Project is located (collectively, the

"Affected Tax Jurisdictions") prior written notice of the proposed deviation from the Policy and the reasons therefore; and

WHEREAS, the Policy provides that the real property tax abatements to be provided by the Agency shall apply only to the value added by an applicant's construction or renovation activities to the existing parcel and improvements involved (the "Added Value"). The Policy further provides a Level 3 payment in lieu of tax schedule of benefits for fifteen (15) years as follows:

<u>TAX YEAR</u>	<u>PERCENTGE OF EXEMPTION</u>
1 to 5	100%
6	50%
7	45%
8	40%
9	35%
10	30%
11	25%
12	20%
13	15%
14	10%
15	5%
16 and thereafter	0%

The Policy also provides that the period of the exemption will not exceed the period of the respective financing or lease and will be for a period of up to fifteen (15) years; 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; and

WHEREAS, pursuant to Section 874(4) of the Act and the Policy, prior to taking final action on the Pilot Request for a deviation from the Policy, the Agency must adopt a resolution setting forth, with respect to the proposed deviation: (a) the amount of the proposed Tax Exemption, (b) the amount and nature of the proposed PILOT, (c) indicating the reasons for the proposed deviation, and (d) whenever possible, provide the Affected Tax Jurisdictions prior written thirty (30) days' notice of the proposed deviation from the Policy and the reasons therefore; and

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

Section 1. Having considered both the Application, the Pilot Request and the Policy, the Agency hereby authorizes the Chair, any Vice Chair or any Officer 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 the Policy with respect to the Project and the reasons therefore (in substantially the form of the draft of said letter attached hereto as Exhibit A), and soliciting any comments that such Affected Tax Jurisdictions may have with respect to said proposed deviation.

Section 2. The Affected Tax Jurisdictions are notified that the Agency hereby determines that thirty (30) days' notice is not practicable in this circumstance since the Project must commence on or about July 1, 2020. Accordingly, the Agency will consider comments received by the Affected Tax Jurisdictions at a special meeting of the Agency to be held on June 25, 2020 commencing at 4:00 o'clock p.m.

Section 3. 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:

Jeffrey D. Crist	VOTING	YES
Edwin Williams	VOTING	NO
		VOTE
John W. Dickson	VOTING	YES
Matthew P. Stoddard	VOTING	YES
Robert Santo	VOTING	YES
Randi Greene	VOTING	YES
Donald Berger	VOTING	YES

The foregoing Resolution was thereupon declared duly adopted

STATE OF NEW YORK

) ss.:

COUNTY OF ORANGE

I, the undersigned Secretary of the Town of Montgomery 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 June 9, 2020 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.

9<sup>th</sup> IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this  
   day of June 2020.

Suzanne Hadden  
Secretary

(SEAL)

**EXHIBIT A**

NOTICE OF DEVIATION TO THE AFFECTED TAX JURISDICTIONS ISSUED IN ACCORDANCE  
WITH AGENCY RESOLUTION DATED JUNE 9, 2020

TOWN OF MONTGOMERY INDUSTRIAL DEVELOPMENT AGENCY  
110 Bracken Road  
Montgomery, New York 12549  
Tel: 845-649-3930

June \_\_, 2020

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED**

The Honorable Steven M. Neuhaus  
County Executive of Orange County  
Orange County Government Center  
255 Main Street  
Goshen, New York 10924

John P. Xanthis, Superintendent of Schools  
Valley Central School District  
944 State Route 17K  
Montgomery, New York 12549

The Honorable Brian Maher, Supervisor  
Town of Montgomery  
110 Bracken Road  
Montgomery, New York 12549

Sarah Messing, Board President  
Valley Central School District  
944 State Route 17K  
Montgomery, New York 12549

RE: Proposed Deviation from Uniform Tax Exemption  
policy by the Town of Montgomery Industrial  
Development Agency (“Agency”) in connection with  
its Proposed Matrix Maple Development, LLC Project

Honorable Sirs and Madame:

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

In November, 2019, Matrix Maple, LLC a New York limited liability company (the "Company") or such other person(s) or entities as may be designated by the Company and agreed upon by the Agency (collectively, the "Company"), submitted an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency and on the Agency website ([www.montgomeryida.com](http://www.montgomeryida.com)), requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) the acquisition of an interest in an approximately 26 acre portion of an approximately 59.70 acre parcel of land located at 59 Maple Avenue (currently being a portion of tax map no. 31-1-94.2) in the Town of Montgomery, Orange County, New York (the "Land"), (2) the construction on the Land of an up to 4.9 MWAC solar community solar project (the "Facility") and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Equipment") (the Land, the Facility, and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to constitute a community solar system 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.

At its regular meeting held on May 12, 2020, the made a request to the Agency (the "Pilot Request") to 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 which can be viewed at [www.montgomeryida.com](http://www.montgomeryida.com).) Pursuant to the General Municipal Law, Section 874(4) and the Policy, prior to taking final action on such Proposed Pilot Request for a deviation from the Policy, the Agency must adopt a resolution setting forth, with respect to the proposed deviation: (a) the amount of the proposed Tax Exemption, (b) the amount and nature of the proposed PILOT, (c) indicating the reasons for the proposed deviation, and (d) whenever possible, provide the Affected Tax Jurisdictions prior written thirty (30) days' notice of the proposed deviation from the Policy and the reasons therefore. This letter is intended to fulfill such requirement. The Agency determined on June 9, 2020 that thirty (30) days' notice of the deviation is not practicable.

The Proposed Pilot Agreement would be for a term of up to 25 years, with the Assignee making the payments in each year as a Pilot Payment to each Affected Tax Jurisdiction as follows:

[DRAFT - TO BE FINALIZED]

<u>Tax Year</u>	<u>PILOT ANNUAL PAYMENT</u>
1	\$33,041.00
2	\$33,702.00
3	\$34,376.00
4	\$35,064.00
5	\$35,765.00
6	\$36,480.00
7	\$37,210.00
8	\$37,954.00
9	\$38,713.00
10	\$39,487.00
11	\$40,277.00
12	\$41,083.00
13	\$41,904.00
14	\$42,742.00



15	\$43,597.00
16	\$44,469.00
17	\$45,359.00
18	\$46,266.00
19	\$47,191.00
20	\$48,135.00
21	\$49,098.00
22	\$50,080.00
23	\$51,081.00
24	\$52,103.00
25	\$53,145.00

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 a special meeting scheduled for June \_\_, 2020 at \_\_: 0 p.m., local time at the meeting room of Town Hall located at 110 Bracken Road in the Town of Montgomery, Orange County, New York or, in the event the Emergency Declaration issued by the Town Supervisor on March 13, 2020 remains in effect on that date, pursuant to video or telephone conference call which will be live-streamed to the public (in either case, 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 and the Policy, which requires 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 Policy).

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

1. The nature of the Project: Solar Farm.
2. The present use of the property: Vacant land.
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: At the time of the filing of the Application, the economic condition of the area in which the Project Facility is to be located is generally average. The Project is expected to create approximately 54 construction jobs and up to 5 new jobs within one year of Project commencement. The Project will provide the community with a community solar system which will reduce energy costs for participating businesses and residents.

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; In the Application, the Company and the Assignee expect to potentially create 5 new jobs. The Company also expects that the Project will create approximately 54 construction jobs. Under the Agency's Local Labor Policy, the majority of the constructions jobs will be filled by local labor.

5. The estimated value of new tax exemptions to be provided: Real property tax exemption benefit of approximately \$161,840; and sales tax exemption benefit of approximately \$226,312.

6. The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions: The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions is positive, as development of the Project Facility is expected to result in local construction jobs, the creation of permanent jobs, payments to taxing jurisdictions and a community based solar system.

7. The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity: The impact of the Project is a positive one on the community, as it creates additional development in the area and a community solar system without additional traffic or other environmental impacts.

8. The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement: \$9,230,000.

9. The effect of the Proposed Pilot Agreement on the environment: The Project is a community based solar project providing clean renewable energy to the community's businesses and residents.

10. Project Timing: Anticipated to be completed within one year of commencement.

The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the 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,

Jeffrey D. Crist, Chair  
Town of Montgomery  
Industrial Development Agency