

MONTGOMERY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for financing and other assistance from the Montgomery County Industrial Development Agency. These answers will also be used in the preparation of papers in this transaction. Accordingly, all questions should be answered accurately and completely by an officer or other employee of your firm who is thoroughly familiar with the business and affairs of your firm and who is also thoroughly familiar with the proposed project. This application is subject to acceptance by the Agency.

TO: Montgomery County Industrial Development Agency
9 Park Street
Fonda, New York 12068
Attention: Chief Executive Officer

This application by applicant respectfully states:

APPLICANT: Mohawk Solar LLC, or its designee

APPLICANT'S STREET ADDRESS: 1125 NW Couch Street

CITY: Portland STATE: OR ZIP CODE: 97209

PHONE NO.: 503-796-7000 FAX NO.: N/A E-MAIL: mark.eilers@avangrid.com

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION: Joseph Green (Community Energy Solar), Mark Eilers (Avangrid), Swartz Moses PLLC

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING:

NAME OF FIRM: Swartz Moses PLLC

NAME OF ATTORNEY: Peter H. Swartz

ATTORNEY'S STREET ADDRESS: 1583 East Genesee Street

CITY: Skaneateles STATE: NY ZIP CODE: 13152

PHONE NO.: 315-554-8166 FAX NO.: N/A E-MAIL: phs@swartzmoses.com

NOTE: PLEASE READ THE INSTRUCTIONS ON PAGE 2 HEREOF BEFORE FILLING OUT THIS FORM.

INSTRUCTIONS

1. The Agency will not approve any application unless, in the judgment of the Agency, said application and the summary contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Fill in all blanks, using "none" or "not applicable" or "N/A" where the question is not appropriate to the project which is the subject of this application (the "Project").
3. If an estimate is given as the answer to a question, put "(est)" after the figure or answer which is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return two (2) copies of this application to the Agency at the address indicated on the first page of this application.
6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project which is the subject of this application.
7. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant's competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law.
8. The applicant will be required to pay to the Agency all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Agency's bonds issued to finance the project). The applicant will also be expected to pay all costs incurred by general counsel and bond counsel/special counsel to the Agency. The costs incurred by the Agency, including the Agency's general counsel and bond counsel, may be considered as a part of the project and included as a part of the resultant bond issue.
9. The Agency has established an application fee of One Thousand Dollars (\$1,000) to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.
10. The Agency has established a project fee for each project in which the Agency participates. UNLESS THE AGENCY AGREES IN WRITING TO THE CONTRARY, THIS PROJECT FEE IS REQUIRED TO BE PAID BY THE APPLICANT AT OR PRIOR TO THE GRANTING OF ANY FINANCIAL ASSISTANCE BY THE AGENCY. *The Applicant has discussed a fee of \$250,000 with the Agency. See attached Exhibit "E".*

FOR AGENCY USE ONLY

1. Project Number	
2. Date application Received by Agency	, 20
3. Date application referred to attorney for review	, 20
4. Date copy of application mailed to members and Elected Officials	, 20
5. Preliminary Inducement Resolution (if Bond Project)	, 20
6. Resolution Scheduling Public Hearing	, 20
7. Hold Public Hearing	, 20
8. Resolution Authorizing Mailing of PILOT Deviation Letter (if applicable)	, 20
9. Post IDA Application and Construction Employment Agreement on Website	, 20
10. Perform Inform Analytics Cost/Benefit Analysis present to Board	, 20
11. Perform Written Evaluation Report and present to Board	, 20
12. SEQR Resolution	, 20
13. PILOT Deviation Resolution (if applicable)	, 20
14. Approving Resolution	, 20
15. Final Project Agreement Posted to Website	, 20

AGENCY FEE SCHEDULE INFORMATION

1. APPLICATION FEE: \$1,000.00 (Non-refundable)

2. AGENCY FEE:

- (a) Bond Transactions: $\frac{3}{4}$ of 1% of bond amount
- (b) Sale Leaseback Transactions: $\frac{3}{4}$ of 1% of Total Project Cost
- (c) Rental Payments: The Company shall pay basic annual rental payments for the Project Facility in an amount equal to \$.0005 x the cost of the Agency Project on January 1 of each year during the term of the Lease Agreement.

3. AGENCY COUNSEL FEE:

- (a) Determine on a Project by Project Basis

SUMMARY OF PROJECT

Applicant: **Mohawk Solar LLC**
Contact Person: **Mark Eilers**
Phone Number: **612-804-9209**
Occupant: **Mohawk Solar LLC**
Project Location: **Towns of Canajoharie and Minden**
Approximate Size of Project Site: **Approximately 1,000 acres of non-contiguous, leased private land**
Description of Project: **See attached Exhibit "A"**

Type of Project: ☐ Manufacturing ☐ Warehouse/Distribution
☐ Commercial ☐ Not-For-Profit
☒ Other-Specify **Industrial – renewable energy production**

Employment Impact: Existing Jobs
New Jobs – up to 5

Project Cost: \$ **135,000,000 (EST)**

Type of Financing: ☐ Tax-Exempt ☐ Taxable ☒ Straight Lease

Amount of Bonds Requested: \$ **N/A**

Estimated Value of Tax-Exemptions:

N.Y.S. Sales and Compensating Use Tax:	\$ <u>*</u>
Mortgage Recording Taxes:	\$ <u>N/A</u>
Real Property Tax Exemptions:	\$ <u>**</u>
Other (please specify):	\$ <u>N/A</u>

*** The Company requests an exemption from sales tax but shall indemnify Montgomery County for its portion of sales tax (estimated to be \$864,000). Therefore, the net value of the sales tax exemption is also estimated to be \$864,000.**

**** The Company strongly believes (and would argue in any assessment litigation) that a**

significant majority of the cost of the Project relates to equipment that constitutes personal property and is not subject to real property taxation under New York law. Based on an independent appraisal, we anticipate a property tax burden of \$172,000 per year on the real property elements of the Project. However, the Company recognizes that the question of whether solar project equipment constitutes personal or real property is unsettled. Even if all the Project's equipment were deemed real property, a property tax burden on the Project of \$679,000 per year could be anticipated. For the purposes of this application, the assumed tax liability could reflect the mid-point of those two payment levels, or \$425,500 per year. Based on the proposed annual PILOT payment of \$300,000, the anticipated \$75,000 annual payment for the interconnection switchyard, and the estimated \$30,000 per year to be paid for change of use of the underlying land, the Project will pay \$405,000 per year in the aggregate to the Montgomery County IDA and local taxing bodies. The difference between the mid-point tax liability (\$425,500) and the projected payments (\$405,000) is \$20,500 per year. Multiplied by the requested 30-year PILOT life, the mid-point value of the Real Property Tax Exemption would be \$615,000. See attached Exhibit "E".

Provide estimates for the following:

Number of Full Time Employees at the Project Site before IDA Status:	<u>0</u>
Estimate of Jobs to be Created:	<u>5</u>
Estimate of Jobs to be Retained:	<u>N/A</u>
Average Estimated Annual Salary of Jobs to be Created:	<u>\$65,000</u>
Annualized Salary Range of Jobs to be Created:	<u>\$35,000-\$90,000</u>
Estimated Average Annual Salary of Jobs to be Retained:	<u>N/A</u>

I. INFORMATION CONCERNING THE PROPOSED OCCUPANT OF THE PROJECT (HEREINAFTER, THE "COMPANY").

A. Identity of Company:

1. Company Name: Mohawk Solar LLC
Present Address: 1125 NW Couch St, Portland, OR
Zip Code: 97209
Employer's ID No.: 47-4247745
2. If the Company differs from the Applicant, give details of relationship: N/A
3. Indicate type of business organization of Company:
 - a. N/A Corporation (If so, incorporated in what country?
What State? _____ Date Incorporated? _____ Type of
Corporation? _____ Authorized to do business in New York?
Yes ____; No ____).
 - b. N/A Partnership (if so, indicate type of partnership
_____, Number of general partners _____, Number of limited
partners _____).

c. X Limited liability company – Delaware LLC
Date created? 3/16/2015.

d. N/A Sole proprietorship

4. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)? If so, indicate name of related organization(s) and relationship:

Mohawk Solar LLC is wholly owned by Avangrid Renewables, LLC.

B. Management of Company:

1. List all owners, officers, members, directors and partners (complete all columns for each person):

NAME (First, Middle, Last) HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
<u>Avangrid Renewables, LLC1125 NW Couch St. Portland, OR 97209</u>	<u>Manager and sole member</u>	

2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? Yes ____; No X.

3. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? Yes ____; No X.

4. Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? Yes ____; No X.
(If yes to any of the foregoing, furnish details in a separate attachment).

5. If the answer to any of questions 2 through 4 is yes, please, furnish details in a separate attachment.

C. Principal Owners of Company:

1. Principal owners of Company: Is Company publicly held? Yes ____; No X.
If yes, list exchanges where stock traded:

2. If no, list all stockholders having a 5% or more interest in the Company:

NAME	ADDRESS	PERCENTAGE OF HOLDING
<u>Avangrid Renewables, LLC</u>	<u>1125 NW Couch</u> <u>StPortland, OR 97209</u>	100%

D. Company's Principal Bank(s) of account:

JP Morgan

II. DATA REGARDING PROPOSED PROJECT

A. Summary: (Please provide a brief narrative description of the Project.)

See attached Exhibit "A"

B. Location of Proposed Project:

1. Street Address Various
2. City of N/A
3. Towns of Canajoharie and Minden
4. Village of N/A
5. County of Montgomery
6. School Districts Canajoharie Central School District
Fort Plain Central School District

C. Project Site:

1. Approximate size (in acres or square feet) of Project site: Approximately 1,000
acres

Is a map, survey, or sketch of the project site attached? Yes X; No _____. * See attached Exhibit "B"

2. Are there existing buildings on project site? Yes X; No _____.
a. If yes, indicate number and approximate size (in square feet) of each existing building:

* The Project will be located on leased land. The underlying land may have farm-related or residential structures that will not be impacted by the Project.

- b. Are existing buildings in operation? Yes ____; No _____. * See II.C.2.a.
If yes, describe present use of present buildings:
- c. Are existing buildings abandoned? Yes ____; No _____. About to be abandoned? Yes ____; No _____. If yes, describe: * See II.C.2.a.
- d. Attach photograph of present buildings. * See II.C.2.a.
3. Utilities serving project site:
Water-Municipal: No
Other (describe): On-site well for operations building.
Sewer-Municipal: No
Other (describe): On-site sewer for operations building.
Electric-Utility: Yes. National Grid.
Other (describe):
Heat-Utility: No.
Other (describe): On-site propane heat is anticipated.
4. Present legal owner of project site: * See attached Exhibit "C" for a list of leased properties and underlying landowners. Additional parcels may be needed to design the most efficient Project array and may be added subsequent to the date of this Application.
- a. If the Company owns project site, indicate date of purchase: _____, 20____; Purchase price: \$_____.
- b. If Company does not own the Project site, does Company have option signed with owner to purchase the Project site? Yes ____; No XX. If yes, indicate date option signed with owner: _____, 20____; and the date the option expires: _____, 20____.
- c. If the Company does not own the project site, is there a relationship legally or by common control between the Company and the present owners of the project site? Yes XX; No _____. If yes, describe: Company holds long-term lease and/or easement agreements with private landowners to secure access rights to the Project site.
5. a. Zoning District in which the project site is located: N/A
- b. Are there any variances or special permits affecting the site? Yes *; No _____. If yes, list below and attach copies of all such variances or special permits:

* The Project is being permitted by the New York State Public Service Commission ("PSC") Board on Electric Generation Siting and the Environment ("Siting Board") pursuant to New York Public Service Law Article 10 ("Article 10").

D. Buildings:

1. Does part of the project consist of a new building or buildings? Yes XX; No _____. If yes, indicate number and size of new buildings: *Up to 5,000 sf*

2. Does part of the project consist of additions and/or renovations to the existing buildings? Yes ____; No X. If yes, indicate the buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovation:

3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed, or expanded: *Company will use the newly-constructed building as an operations and maintenance center for the project.*

E. Description of the Equipment:

1. Does a part of the Project consist of the acquisition or installation of machinery, equipment or other personal property (the "Equipment")? Yes X; No _____. If yes, describe the Equipment:

** See attached Exhibit "A".*

2. With respect to the Equipment to be acquired, will any of the Equipment be Equipment which has previously been used? Yes ____; No X. If yes, please provide detail:

3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed:

Solar-powered electric generating facility.

F. Project Use:

1. What are the principal products to be produced at the Project?

Clean, renewable electricity.

2. What are the principal activities to be conducted at the Project?

Passive capture of solar power for production of clean, renewable electricity.

3. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? Yes ____; No X. If yes, please provide detail:

4. If the answer to question 3 is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? _____% N/A

5. If the answer to question 3 is yes, and the answer to question 4 is more than 33.33%, indicate whether any of the following apply to the Project: N/A

- a. Will the Project be operated by a not-for-profit corporation? Yes ____; No ___. If yes, please explain:
- b. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes ____; No ___. If yes, please explain:
- c. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York? Yes ____; No ___. If yes, please explain:
- d. 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 city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes ____; No _____. If yes, please provide detail:
- e. Will the Project be located in one of the following: (i) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (ii) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes ____; No _____. If yes, please explain:

6. If the answers to any of subdivisions c. through e. of question 5 is yes, 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, please explain: N/A

7. Will the completion of the Project result in the removal of a plant or facility of the Company or another proposed occupant of the Project (a "Project Occupant") from one area of the State of New York to another area of the State of New York? Yes ____; No X. If yes, please explain:

8. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Company located in the State of New York? Yes ____; No X. If yes, please provide detail:

9. If the answer to either question 7 or question 8 is yes, indicate whether any of the

following apply to the Project: N/A

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

10. Will the Project be owned by a not-for-profit corporation? Yes ____; No X. If yes, please provide detail:

11. Will the Project be sold or leased to a municipality? Yes ____; No X. If yes, please provide detail:

G. Other Involved Agencies:

1. Please indicate all other local agencies, boards, authorities, districts, commissions or governing bodies (including any city, county and other political subdivision of the State of New York and all state departments, agencies, boards, public benefit corporations, public authorities or commissions) involved in approving or funding or directly undertaking action with respect to the Project. For example, do you need a municipal building permit to undertake the Project? Do you need a zoning approval to undertake the Project? If so, you would list the appropriate municipal building department or planning or zoning commission which would give said approvals.

PSC Siting Board

Article 10 approval.

NYISO

Regarding the right to interconnect the Project to, and transmit electricity on, the New York electrical grid.

NYDEC

SPDES General Permit for Construction

Activities.

US Army Corps of Engineers

Wetland permit (if needed).

2. Describe the nature of the involvement of the federal, state, or local agencies described above:

See II.G.1. above.

H. Construction Status:

1. Has construction work on this project begun? Yes ____; No X. If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site

clearance and preparation; completion of foundations; installation of footings; etc.:

2. Please indicate amount of funds expended on this Project by the Company in the past three (3) years and the purposes of such expenditures:

Interconnection: \$200,000

Permitting: \$85,000

Land: \$165,000

Legal: \$505,000

Engineering: \$44,000

Internal labor: \$290,000

Consultants: \$281,000

Administration: \$60,000

3. Please indicate the date the applicant estimates the Project will be completed:
The anticipated commercial operation date of the Project is December 2020.

I. Method of Construction after Agency Approval:

1. If the Agency approves the project which is the subject of this application, there are two methods that may be used to construct the project. The applicant can construct the project privately and sell the project to the Agency upon completion. Alternatively, the applicant can request to be appointed as "agent" of the Agency, in which case certain laws applicable to public construction may apply to the project. Does the applicant wish to be designated as "agent" of the Agency for purposes of constructing the project? Yes X; No ____.

2. If the answer to question 1 is yes, does the applicant desire such "agent" status prior to the closing date of the financing? Yes X; No ____.

III. INFORMATION CONCERNING LEASES OR SUBLEASES OF THE PROJECT. (PLEASE COMPLETE THE FOLLOWING SECTION IF THE COMPANY INTENDS TO LEASE OR SUBLEASE ANY PORTION OF THE PROJECT).

A. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes ____; No X. If yes, please complete the following for each existing or proposed tenant or subtenant:

1. Sublessee name:
Present Address:
City: _____ State: _____ Zip: _____
Employer's ID No.: _____
Sublessee is: _____ Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company: _____
Percentage of Project to be leased or subleased: _____
Use of Project intended by Sublessee: _____
Date of lease or sublease to Sublessee: _____
Term of lease or sublease to Sublessee: _____
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes _____; No _____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.
2. Sublessee name:
Present Address:
City: _____ State: _____ Zip: _____
Employer's ID No.: _____
Sublessee is: _____
_____ Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company: _____
Percentage of Project to be leased or subleased: _____
Use of Project intended by Sublessee: _____
Date of lease or sublease to Sublessee: _____
Term of lease or sublease to Sublessee: _____
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes _____; No _____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.
3. Sublessee name:
Present Address:
City: _____ State: _____ Zip: _____
Employer's ID No.: _____
Sublessee is: _____ Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company: _____
Percentage of Project to be leased or subleased: _____
Use of Project intended by Sublessee: _____
Date of lease or sublease to Sublessee: _____
Term of lease or sublease to Sublessee: _____
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes _____; No _____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease? N/A

IV. EMPLOYMENT IMPACT

- A. Indicate the number of people presently employed at the Project site and the **additional** number that will be employed at the Project site at the end of the first and second years after the Project has been completed, using the tables below for (1) employees of the Applicant, (2) independent contractors, and (3) employees of independent contractors. (Do not include construction workers). Also indicate below the number of workers employed at the Project site representing newly created positions as opposed to positions relocated from other project sites of the applicant. Such information regarding relocated positions should also indicate whether such positions are relocated from other project sites financed by obligations previously issued by the Agency.

TYPE OF EMPLOYMENT Employees of Applicant**					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Present Part Time	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Present Seasonal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
First Year Full Time	<u>1</u>	<u>Up to 4</u>	<u>0</u>	<u>0</u>	<u>Up to 5</u>
First Year Part Time	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
First Year Seasonal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Second Year Full Time	<u>1</u>	<u>Up to 4</u>	<u>0</u>	<u>0</u>	<u>Up to 5</u>
Second Year Part Time	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Second Year Seasonal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

** The Applicant has not yet determined whether it will directly hire operations and maintenance personnel or will contract for those services. The job creation estimate shown above applies in either case.

TYPE OF EMPLOYMENT Independent Contractors					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Present Part Time	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Present Seasonal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
First Year Full Time	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
First Year Part Time	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
First Year Seasonal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Second Year Full Time	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Second Year Part Time	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Second Year Seasonal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

TYPE OF EMPLOYMENT Employees of Independent Contractors					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Present Part Time	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Present Seasonal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

First Year Full Time	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
First Year Part Time	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
First Year Seasonal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Second Year Full Time	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Second Year Part Time	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Second Year Seasonal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

- B. Indicate below (1) the estimated salary and fringe benefit averages or ranges and (2) the estimated number of employees residing in the North Country Economic Development Region for all the jobs at the Project site, both retained and created, listed in the tables described in subsection A above for each of the categories of positions listed in the chart below.

RELATED EMPLOYMENT INFORMATION				
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled
Estimated Salary and Fringe Benefit Averages or Ranges <i>(Annualized)</i>	<u>\$65,000-</u> <u>\$90,000</u>	<u>\$35,000-</u> <u>\$70,000</u>		
Estimated Number of Employees Residing in the Mohawk Valley Economic Development Region ¹	<u>1</u>	<u>Up to 4</u>		

- C. Please describe the projected timeframe for the creation of any new jobs with respect to the undertaking of the Project: *New employees would be expected to be hired in Q3 of 2020 to learn about the Project and commence employment prior to full operation in Q4 2020.*
- D. Please prepare a separate attachment describing in detail the types of employment at the Project site. Such attachment should describe the activities or work performed for each type of employment. ** See attached Exhibit "D".*

¹ It is not yet known where the employee(s) will reside.

V. PROJECT COST AND FINANCING SOURCES

- A. Anticipated Project Costs. State the costs reasonably necessary for the acquisition of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Cost</u>	<u>Amount</u>
Land	\$ _____
Buildings	\$ _____
Machinery and equipment costs	\$ <u>105,000,000</u>
Utilities, roads and appurtenant costs	\$ <u>19,000,000</u>
Architects and engineering fees	\$ <u>5,000,000</u>
Costs of Bond Issue (legal, financial and printing)	\$ _____
Construction loan fees and interest (if applicable)	\$ _____
Other (specify)	
___ Legal and other professional support	\$ <u>1,000,000</u>
___ Miscellaneous _____	\$ <u>5,000,000</u>
_____	\$ _____
TOTAL PROJECT COSTS	\$ <u>135,000,000</u> _____

- B. Anticipated Project Financing Sources. State the sources reasonably necessary for the financing of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Sources</u>	<u>Amount</u>
Private Sector Financing	\$ _____
Public Sector	
Federal Programs	\$ _____
State Programs	\$ _____
Local Programs	\$ _____
Applicant Equity	\$ <u>100%</u> *
Other (specify, e.g., tax credits)	
_____	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL AMOUNT OF PROJECT FINANCING SOURCES	\$ _____

** See V(F) and V(G) below.*

- C. Have any of the above expenditures already been made by the applicant?
Yes X ; No _____. If yes, indicate particulars.

The Company has self-financed development costs, including lease acquisition, engineering, legal, permitting, and interconnection costs.

- D. Amount of loan requested: \$ N/A ;

Maturity requested: _____ years.

- E. Has a commitment for financing been received as of this application date, and if so, from whom? N/A

Yes ____; No _____. Institution Name: _____

Provide name and telephone number of the person we may contact.

Name: _____ Phone: _____

- F. The percentage of Project costs to be financed from public sector sources is estimated to equal the following: 0 %
- G. The total amount estimated to be borrowed to finance the Project is equal to the following: \$ TBD. At present, the Company does not plan to finance the Project with borrowed money.

VI. BENEFITS EXPECTED FROM THE AGENCY

A. Financing

1. Is the applicant requesting that the Agency issue bonds to assist in financing the project? Yes ; No X. If yes, indicate:
 - a. Amount of loan requested: Dollars;
 - b. Maturity requested: Years.
2. If the answer to question 1 is yes, is the interest on such bonds intended to be exempt from federal income taxation? Yes ; No . N/A
3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes: N/A
 - a. retail food and beverage services: Yes ; No
 - b. automobile sales or service: Yes ; No
 - c. recreation or entertainment: Yes ; No
 - d. golf course: Yes ; No
 - e. country club: Yes ; No
 - f. massage parlor: Yes ; No
 - g. tennis club: Yes ; No
 - h. skating facility (including roller skating, skateboard and ice skating): Yes ; No
 - i. racquet sports facility (including handball and racquetball court): Yes ; No
 - j. hot tub facility: Yes ; No
 - k. suntan facility: Yes ; No
 - l. racetrack: Yes ; No
4. If the answer to any of the above questions contained in question 3 is yes, please furnish details on a separate attachment. N/A

B. Tax Benefits

1. Is the applicant requesting any real property tax exemption in connection with the Project that would not be available to a project that did not involve the Agency? Yes X²; No . If yes, is the real property tax exemption being sought consistent with the Agency's Uniform Tax Exemption Policy? Yes ; No X.

² New York Real Property Tax Law ("RPTL") § 487 provides a 15-year exemption for solar energy facilities subject to

2. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes ; No X . If yes, what is the approximate amount of financing to be secured by mortgages? \$.

3. Is the applicant expecting to be appointed agent of the Agency for purposes of avoiding payment of N.Y.S. Sales Tax or Compensating Use Tax? Yes X ; No . If yes, what is the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and Compensating Use Taxes? \$ Up to \$135,000,000³.

4. What is the estimated value of each type of tax-exemption being sought in connection with the Project? Please detail the type of tax-exemption and value of the exemption.

a.	N.Y.S. Sales and Compensating Use Taxes:	\$ <u>Up to \$864,000⁴</u>
b.	Mortgage Recording Taxes:	\$ <u>N/A</u>
c.	Real Property Tax Exemptions:	\$ <u>\$615,000*</u>
d.	Other (please specify):	\$ <u>N/A</u>
		\$ <u> </u>

** The Company strongly believes (and would argue in any assessment litigation) that a significant majority of the cost of the Project relates to equipment that constitutes personal property and is not subject to real property taxation under New York law. Based on an independent appraisal, we anticipate a property tax burden of \$172,000 per year on the real property elements of the Project. However, the Company recognizes that the question of whether solar project equipment constitutes personal or real property is unsettled. Even if all the Project's equipment were deemed real property, a property tax burden on the Project of \$679,000 per year could be anticipated. For the purposes of this application, the assumed tax liability could reflect the mid-point of those two payment levels, or \$425,500 per year. Based on the proposed annual PILOT payment of \$300,000, the anticipated \$75,000 annual payment for the interconnection switchyard, and the estimated \$30,000 per year to be paid for change of use of the underlying land, the Project will pay \$405,000 per year in the aggregate to the Montgomery County IDA and local taxing bodies. The difference between the mid-point tax liability (\$425,500) and the projected payments (\$405,000) is \$20,500 per year. Multiplied by the requested 30-year PILOT life, the mid-point value of the Real Property Tax Exemption would be \$615,000. See attached Exhibit "E".*

municipal opt-out. RPTL § 485-b provides a 10-year phased-out exemption for general business investment.

³ Based on an estimated total Project cost of approximately \$135M. It is anticipated that approximately eighty-four percent (84%) of Project expenditures would also qualify for the production exemption from sales tax under New York State Tax Law Section 1115(a)(12).

⁴ Based on an estimated total Project cost of approximately \$135M and a sales tax rate of 8.0%, the total potential sales tax exemption would be up to \$10,800,000. However, it is anticipated that approximately eighty-four percent (84%) of Project expenditures would also qualify for the production exemption from sales tax under New York State Tax Law Section 1115(a)(12). Accordingly, for cost-benefit calculation purposes, the "value" of the sales tax exemption to the Company (and the corresponding "cost" of the sales tax exemption to the Agency), is up to \$1,728,000 (based on 8% of \$21.6M, or 16% of \$135M). However, the Company shall indemnify Montgomery County for its share of the total sales tax (\$864,000), but ask for an exemption for the NYS portion of the sales tax (also estimated at \$864,000).

5. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's Uniform Tax Exemption Policy? Yes X; No . If yes, please explain.

The proposed PILOT payment schedule is based on the unique circumstances associated with developing and operating a solar-powered electric generating facility and therefore deviation from the UTEP is necessary.

C. Project Cost/Benefit Information. Complete the attached Cost/Benefit Analysis so that the Agency can perform a cost/benefit analysis of undertaking the Project. Such information should consist of a list and detailed description of the benefits of the Agency undertaking the Project (e.g., number of jobs created, types of jobs created, economic development in the area, etc.). Such information should also consist of a list and detailed description of the costs of the Agency undertaking the Project (e.g., tax revenues lost, buildings abandoned, etc.).

VII. REPRESENTATIONS BY THE APPLICANT. The applicant understands and agrees with the Agency 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 "DOC") and with the administrative entity (collectively with the DOC, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA"), as replaced by the Workforce Investment Act of 1998 (Public Law 105-220), 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.

D. Annual 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, on an annual basis, reports regarding the number of people employed at the Project site, including (1) the NYS-45 – Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return – for the quarter ending December 31 (the "NYS-45"), and (2) the US Dept. of Labor BLS 3020 Multiple Worksite report if applicable.

E. Uniform Agency Project Agreement. The applicant agrees to enter into a project benefits agreement with the Agency where the applicant agrees that (1) the amount of Financial Assistance to be received shall be contingent upon, and shall bear a direct relationship to the success or lack of success of such project in delivering certain described public benefits (the "Public Benefits") and (2) the Agency will be entitled to recapture some or all of the Financial Assistance granted to the applicant if the project is unsuccessful in whole or in part in delivering the promised Public Benefits.

F. Representation of Financial Information. Neither this Application nor any other agreement, document, certificate, project financials, or written statement furnished to the Agency or by or on behalf of the applicant in connection with the project contemplated by this Application contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading. There is no fact within the special knowledge of any of the officers of the applicant which has not been disclosed herein or in writing by them to the Agency and which materially adversely affects or in the future in their opinion may, insofar as they can now reasonably foresee, materially adversely affect the business, properties, assets or condition, financial or otherwise, of the applicant.

G. Agency Financial Assistance Required for Project. The Project would not be undertaken but for the Financial Assistance provided by the Agency or, if the Project could be undertaken without the Financial Assistance provided by the Agency, then the Project should be undertaken by the Agency for the following reasons:

H. Compliance with Article 18-A of the General Municipal Law: The Project, as of the date of this Application, is in substantial compliance with all provisions of article 18-A of the General Municipal including, but not limited to, the provisions of Section 859-a and subdivision one of Section 862; and the provisions of subdivision one of Section 862 of the General Municipal Law will not be violated if Financial Assistance is provided for the Project.

I. Compliance with Federal, State, and Local Laws. The applicant is in substantial compliance with applicable local, state, and federal tax, worker protection, and environmental laws, rules, and regulations.

J. False or Misleading Information. The applicant understands 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 exemptions claimed by reason of Agency involvement in the Project.

K. Absence of Conflicts of Interest. The applicant acknowledges that the members, officers and employees of the Agency are listed on the Agency's website. No member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

L. Additional Information. Additional information regarding the requirements noted in this Application and other requirements of the Agency are included in the Agency's Policies which can be accessed at <http://www.mcbdc.org/>.

I affirm under penalty of perjury that all statements made on this application are true, accurate and complete to the best of my knowledge.

APPLICANT:
Mohawk Solar LLC,
a Delaware limited liability company

By: Avangrid Renewables, LLC,
an Oregon limited liability company,
its Manager and Sole Member

LEGAL
Kik

Name: Jersey Gorman
Title: Authorized Representative

Name: Jeremy R. Aird
Title: Authorized Representative

NOTE: APPLICANT MUST ALSO COMPLETE THE APPROPRIATE VERIFICATION
APPEARING ON PAGES 26 THROUGH 29 HEREOF BEFORE A NOTARY PUBLIC AND MUST
SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 30.

~~VERIFICATION~~

~~(If Applicant is a Corporation)~~

STATE OF _____)
 _____) SS.:
 COUNTY OF _____)

_____deposes and says that he is the
 (Name of chief executive of applicant)

_____ of _____,
(Title) (Company Name)

the corporation named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. Deponent further says that the reason this verification is made by the deponent and not by said company is because the said company is a corporation. — The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as an officer of and from the books and papers of said corporation.

~~(officer of applicant)~~

Sworn to before me this
day of _____, 20__.

(Notary Public)

~~VERIFICATION~~

~~(If applicant is sole proprietor)~~

STATE OF _____)
 _____) SS.:
 COUNTY OF _____)

_____, deposes and says—

(Name of Individual)

~~that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application.~~

Sworn to before me this
 ____ day of _____, 20__.

(Notary Public)

VERIFICATION

(If applicant is partnership)

STATE OF _____)
_____) SS.:
COUNTY OF _____)

_____, deposes and says—

(Name of Individual)

that he is one of the members of the firm of _____,
(Partnership Name)

the partnership named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as a member of and from the books and papers of said partnership.

Sworn to before me this
_____ day of _____, 20____.

(Notary Public)

VERIFICATION

(If applicant is limited liability company)

STATE OF Oregon)
) SS.:
COUNTY OF Multnomah

Jesse Gronner and Jeremy Aird deposes and says
(Name of Individual)

that he is one of the managers of the member of the firm of Mohawk Solar LLC,
(Limited Liability Company)

the limit liability company named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as a member of and from the books and papers of said limited liability company.

**Mohawk Solar LLC,
a Delaware limited liability company**

By: Avangrid Renewables, LLC,
an Oregon limited liability company,
its Manager and Sole Member

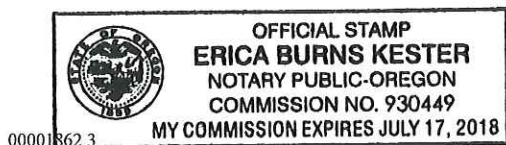
LEGAL
KES

Name: Jesse Gronner
Title: Authorized Representative

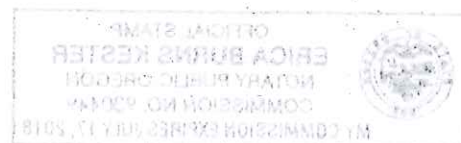
Name: Jeremy Aird
Title: Authorized Representative

Sworn to before me this
14th day of May, 2018.

Erica Burns Kester
(Notary Public)



NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE HOLD
HARMLESS AGREEMENT APPEARING ON PAGE 30 IS SIGNED BY THE APPLICANT.



HOLD HARMLESS AGREEMENT

Applicant hereby releases Montgomery County Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "Agency") from, 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 issue of bonds requested therein are favorably acted upon by the Agency, (ii) the Agency's financing 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. If, for any reason, 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 Agency or the Applicant are unable to find buyers willing to purchase the total bond issue requested, then, and in that event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

**Mohawk Solar LLC,
a Delaware limited liability company**

By: Avangrid Renewables, LLC,
an Oregon limited liability company,
its Manager and Sole Member

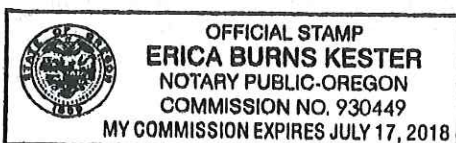
LEGAL
Kester

Jesse Gronner
Name: Jesse Gronner
Title: Authorized Representative

Jeremy R. Aird
Name: Jeremy R. Aird
Title: Authorized Representative

Sworn to before me this
14th day of May, 2018.

Erica Burns Kester
(Notary Public)



TO: Project Applicants
 FROM: Montgomery County Industrial Development Agency
 RE: Cost/Benefit Analysis

In order for the Montgomery County Industrial Development Agency (the "Agency") to prepare a Cost/Benefit Analysis for a proposed project (the "Project"), the Applicant must answer the questions contained in this Project Questionnaire (the "Questionnaire") and complete the attached Schedules. This Questionnaire and the attached Schedules will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

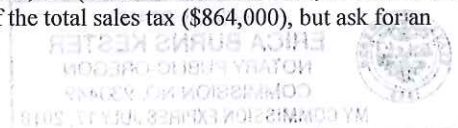
This Questionnaire must be completed before we can finalize the Cost/Benefit Analysis, please complete this Questionnaire and forward it to us at your earliest convenience.

PROJECT QUESTIONNAIRE

1. Name of Project Beneficiary ("Company"):	<u>Mohawk Solar LLC</u>
2. Brief Identification of the Project:	<u>Solar-powered electric generating facility</u>
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$ <u>N/A</u>
B. Value of Sales Tax Exemption Sought	\$ <u>Up to \$864,000⁵</u>
C. Value of Real Property Tax Exemption Sought	\$ <u>Up to \$615,000*</u>
D. Value of Mortgage Recording Tax Exemption Sought	\$ <u>N/A</u>
4. Likelihood of accomplishing the Project in a timely fashion:	<u>High (assuming successful power purchase negotiations)</u>

*** The Company strongly believes (and would argue in any assessment litigation) that a significant majority of the cost of the Project relates to equipment that constitutes personal property and is not subject to real property taxation under New York law. Based on an independent appraisal, we anticipate a property tax burden of \$172,000 per year on the real property elements of the Project. However, the Company recognizes that the question of whether solar project equipment constitutes personal or real property is unsettled. Even if all the Project's equipment were deemed real property, a property tax burden on the Project of \$679,000 per year could be anticipated. For the purposes of this application, the assumed tax liability could reflect the mid-point of those two payment levels, or \$425,500 per year. Based on the proposed annual PILOT payment of \$300,000, the anticipated \$75,000 annual payment for the interconnection switchyard, and the estimated \$30,000 per year to be paid for change of use of the underlying land, the Project will pay \$405,000 per year in the aggregate to the**

⁵ Based on an estimated total Project cost of approximately \$135M and a sales tax rate of 8.0%, the total potential sales tax exemption would be up to \$10,800,000. However, it is anticipated that approximately eighty-four percent (84%) of Project expenditures would also qualify for the production exemption from sales tax under New York State Tax Law Section 1115(a)(12). Accordingly, for cost-benefit calculation purposes, the "value" of the sales tax exemption to the Company (and the corresponding "cost" of the sales tax exemption to the Agency), is up to \$1,728,000 (based on 8% of \$21.6M, or 16% of \$135M). However, the Company shall indemnify Montgomery County for its share of the total sales tax (\$864,000), but ask for an exemption for the NYS portion of the sales tax (also estimated at \$864,000).



Montgomery County IDA and local taxing bodies. The difference between the mid-point tax liability (\$425,500) and the projected payments (\$405,000) is \$20,500 per year. Multiplied by the requested 30-year PILOT life, the mid-point value of the Real Property Tax Exemption would be \$615,000. See attached Exhibit "E".

PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Land acquisition	\$
2. Site preparation	\$ <u>5,000,000</u>
3. Landscaping	\$ <u>1,000,000</u>
4. Utilities and infrastructure development	\$ <u>10,000,000</u>
5. Access roads and parking development	\$ <u>3,000,000</u>
6. Other land-related costs (describe)	\$
B. Building-Related Costs	
1. Acquisition of existing structures	\$
2. Renovation of existing structures	\$
3. New construction costs	\$
4. Electrical systems	\$
5. Heating, ventilation and air conditioning	\$
6. Plumbing	\$
7. Other building-related costs (describe)	\$
C. Machinery and Equipment Costs	
1. Production and process equipment	\$ <u>105,000,000</u>
2. Packaging equipment	\$
3. Warehousing equipment	\$
4. Installation costs for various equipment	\$
5. Other equipment-related costs (describe)	\$
D. Furniture and Fixture Costs	
1. Office furniture	\$
2. Office equipment	\$
3. Computers	\$
4. Other furniture-related costs (describe)	\$
E. Working Capital Costs	
1. Operation costs	\$
2. Production costs	\$
3. Raw materials	\$
4. Debt service	\$
5. Relocation costs	\$
6. Skills training	\$
7. Other working capital-related costs (describe)	\$

F.	Professional Service Costs	
1.	Architecture and engineering	\$ <u>5,000,000</u>
2.	Accounting/legal	\$
3.	Other service-related costs (Project Management)	\$ <u>1,000,000</u>
G.	Other Costs	
1.	Miscellaneous	\$ <u>5,000,000</u>
2.		\$
H.	Summary of Expenditures	
1.	Total Land-Related Costs	\$ <u>19,000,000</u>
2.	Total Building-Related Costs	\$
3.	Total Machinery and Equipment Costs	\$ <u>105,000,000</u>
4.	Total Furniture and Fixture Costs	\$
5.	Total Working Capital Costs	\$
6.	Total Professional Service Costs	\$ <u>6,000,000</u>
7.	Total Other Costs	\$ <u>5,000,000</u>

PROJECTED PROFIT

I. Please provide projected profit as defined by earnings after income tax but before depreciation and amortization:

YEAR	Without IDA benefits	With IDA benefits
1	\$ <u>No Project</u>	\$ <u>*</u>
2	\$ <u>No Project</u>	\$ <u>*</u>
3	\$ <u>No Project</u>	\$ <u>*</u>
4	\$ <u>No Project</u>	\$ <u>*</u>
5	\$ <u>No Project</u>	\$ <u>*</u>

* The Company anticipates that the Project will generate a market-based ROI in the range of 5 - 7 % once the savings created by all State and Federal subsidies are taken into account.

PROJECTED CONSTRUCTION EMPLOYMENT IMPACT

- I. Please provide estimates of total construction jobs and the total annual wages and benefits of construction jobs at the Project: Total wages and benefits are estimated to be up to \$ 11.25M during approximate 9 month construction period.

Year	Number of Construction Jobs	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax ⁶
Current Year	<u>Up to 300</u>	<u>\$ Up to \$11,250,000</u>	<u>\$ Up to \$725,625</u>
Year 1	<u>0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Year 2	<u>0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Year 3	<u>0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Year 4	<u>0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Year 5	<u>0</u>	<u>\$ 0</u>	<u>\$ 0</u>

PROJECTED PERMANENT EMPLOYMENT IMPACT

- I. Estimates of the total number of existing permanent jobs to be preserved or retained as a result of the Project are described in the tables in Section IV of the Application.
- II. Estimates of the total new permanent jobs to be created at the Project are described in the tables in Section IV of the Application.
- III. Please provide estimates for the following:
- A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.
- IV. Provide the projected percentage of employment that would be filled by Montgomery County residents: Up to 90%
- A. Provide a brief description of how the project expects to meet this percentage: The Company would meet with the local chamber of commerce and economic development department to solicit input on local companies from which to solicit services. The Company would advertise and mail invitations for a public meeting to describe the opportunities available for construction services, equipment supply, rental equipment, permanent job opportunities, and the method of applying or bidding for those opportunities.

⁶ Assumes all wages and benefits are subject to NYS income tax at a rate of 6.45%.

PROJECTED OPERATING IMPACT

I. Please provide estimates for the impact of Project operating purchases and sales:

Additional Purchases (1 st year following project completion)	\$ <u>TBD *</u>
Additional Sales Tax Paid on Additional Purchases	\$ <u>TBD⁷</u>
Estimated Additional Sales (1 st full year following project completion)	\$ <u>N/A</u>
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	\$ <u>N/A</u>

*** Annual operations and maintenance costs (including labor) are estimated to be \$ 2,250,000.**

II. Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes ("Pilot Payments"): *** See note below.**

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
Current Year			
Year 1			
Year 2			
Year 3			
Year 4			
Year 5			
Year 6			
Year 7			
Year 8			
Year 9			
Year 10			
Year 11			
Year 12			
Year 13			
Year 14			
Year 15			

*** The Company strongly believes (and would argue in any assessment**

⁷ Most operating expenses would relate to operating and maintaining the solar panel array, which is production equipment under the New York Tax Law.

litigation) that a significant majority of the cost of the Project relates to equipment that constitutes personal property and is not subject to real property taxation under New York law. Based on an independent appraisal, we anticipate a property tax burden of \$172,000 per year on the real property elements of the Project. However, the Company recognizes that the question of whether solar project equipment constitutes personal or real property is unsettled. Even if all the Project's equipment were deemed real property, a property tax burden on the Project of \$679,000 per year could be anticipated. For the purposes of this application, the assumed tax liability could reflect the mid-point of those two payment levels, or \$425,500 per year. Based on the proposed annual PILOT payment of \$300,000, the anticipated \$75,000 annual payment for the interconnection switchyard, and the estimated \$30,000 per year to be paid for change of use of the underlying land, the Project will pay \$405,000 per year in the aggregate to the Montgomery County IDA and local taxing bodies. The difference between the mid-point tax liability (\$425,500) and the projected payments (\$405,000) is \$20,500 per year. Multiplied by the requested 30-year PILOT life, the mid-point value of the Real Property Tax Exemption would be \$615,000. See attached Exhibit "E".

III. Please provide a detailed description for the impact of other economic benefits and all anticipated community benefits expected to be produced as a result of the Project (attach additional pages as needed for a complete and detailed response):

- Estimated \$600,000 in annual Project lease payments to local landowners, amounting to \$18,000,000 over the life of the Project.
- Net revenue to the typical farmer landowner in the Project area from existing farm operations is typically \$200 per acre, or approximately \$200,000 per year for the 1,000-acre Project area. Continued downward price pressures in the dairy market will significantly impact the local farming community, and likely force many farmers off their land. Revenue from the Project is able to stabilize financial conditions for the farmers, thereby allowing them to remain residents and income-producing owners of their property.
- Substantial increase in revenues to Towns, School Districts, and County under the PILOT Agreement over the current agricultural exemption revenue. Additional revenue flows unburdened by additional costs (student education costs, buses, road improvements, services, etc.). Current tax payments from the Project land, reflecting the agricultural exemption, are estimated to be \$19,500, while increased tax revenue under the PILOT, change of use of underlying land and interconnection substation are estimated to be \$405,000 annually.
- Roll-back taxes due to the change of use of the underlying land will result in a one-time payment to the taxing bodies estimated at \$162,000.
- Capital investment of \$135,000,000.
- 12.5%, or \$16,875,000, of the Project construction cost is anticipated to stay local.
- Project operations will displace harmful air emissions from fossil fuel-fired electric generators and are projected to reduce CO₂ emissions by over 3,000,000 tons over the life of the Project.
- Mohawk Solar, LLC is the first large-scale solar project to advance through the NYS Article 10 permitting process. Its installation will significantly contribute to meeting the NYS goal of 50% of energy supply to be met by renewable sources by the year 2030.

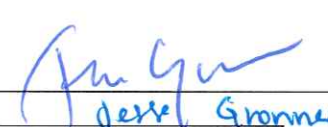
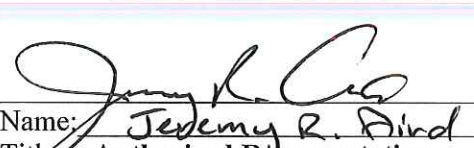
- *The Project will supply the electrical needs for approximately 20,000 average homes. Importantly, the Project will produce the greatest amount of its electricity during the summer months when electricity demand is highest. Therefore, the electricity will offset more expensive generation sources that would have ordinarily come on line to support the increased demand. Adding the lower cost supply from a clean, renewable source decreases the average cost of electricity, especially during the peak demand summer months.*

CERTIFICATION

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge; such responses are true, correct, and complete.

I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

I affirm under penalty of perjury that all statements made on this application are true, accurate and complete to the best of my knowledge.

<p>Date Signed: <u>May 14, 2018.</u></p>	<p>Names of Persons Completing Project Questionnaire on behalf of the Company.</p> <p>Mohawk Solar LLC, a Delaware limited liability company</p> <p>By: Avangrid Renewables, LLC, an Oregon limited liability company, its Manager and Sole Member</p> <p> Name: <u>Jesse Gronner</u> Title: Authorized Representative Phone Number: <u>503-796-7000</u> Address: <u>1125 NW Couch St, Portland, OR 97209</u></p> <p> Name: <u>Jeremy R. Dind</u> Title: Authorized Representative Phone Number: <u>503-796-7000</u> Address: <u>1125 NW Couch St, Portland, OR 97209</u></p>
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CREATION OF NEW JOB SKILLS

[illegible]

⁸ It is not yet known where the employee(s) will reside.

SCHEDULE B

CONSTRUCTION EMPLOYMENT AGREEMENT

Recognizing the mission of the Industrial Development Agency of Montgomery County (IDA) to promote construction employment opportunities for residents of Montgomery County and in consideration of the extension of financial assistance by the IDA, **Mohawk Solar LLC** (Project Beneficiary) understands that it is the Agency's policy that benefiting companies should employ New York State residents and agrees to provide the information requested below as a way to provide local construction opportunities. **Mohawk Solar LLC** (Project Beneficiary) also agrees to provide an estimate of the number, type and duration of construction jobs to be created through IDA financial assistance, whether employment is gained directly through the Company, its general contractor, or individual vendors.

Upon project completion **Mohawk Solar LLC** (Project Beneficiary) shall, if requested by the Agency, submit to the IDA a Construction Completion Report in which is identified names and business addresses of the prime contractor, subcontractors and vendors engaged in the construction of the facility.

Company:

Mohawk Solar LLC

Company Representative for Contract Bids and Awards:

Mark Eilers

Mailing Address:

1125 NW Couch St, Portland, OR 97209

Phone: **612-804-9209**

Fax: **N/A**

Email: **mark.eilers@avangrid.com**

General Contractor, if determined

Company: **TBD**

Representative: _____

Mailing Address: _____

Phone: _____ Fax: _____

Email: _____

Construction start date is estimated to be **January 1, 2020** with occupancy to be taken on **December 2020**

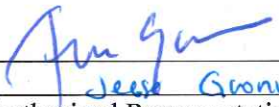
Construction Phase or Process	Duration of Construction Phase	# to be Employed
<u>Construction</u>	<u>9 months</u>	<u>Up to 300</u>

(Attach additional sheets if needed)

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APPLICANT:
Mohawk Solar LLC,
a Delaware limited liability company

By: Avangrid Renewables, LLC,
an Oregon limited liability company,
its Manager and Sole Member


Name: Jesse Gronner
Title: Authorized Representative
Phone Number: 503-796-7000
Address: 1125 NW Couch St, Suite 700, Portland, OR 97209



Name: Jeremy R. Aird
Title: Authorized Representative
Phone Number: 503-796-7000
Address: 1125 NW Couch St, Suite 700, Portland, OR 97209

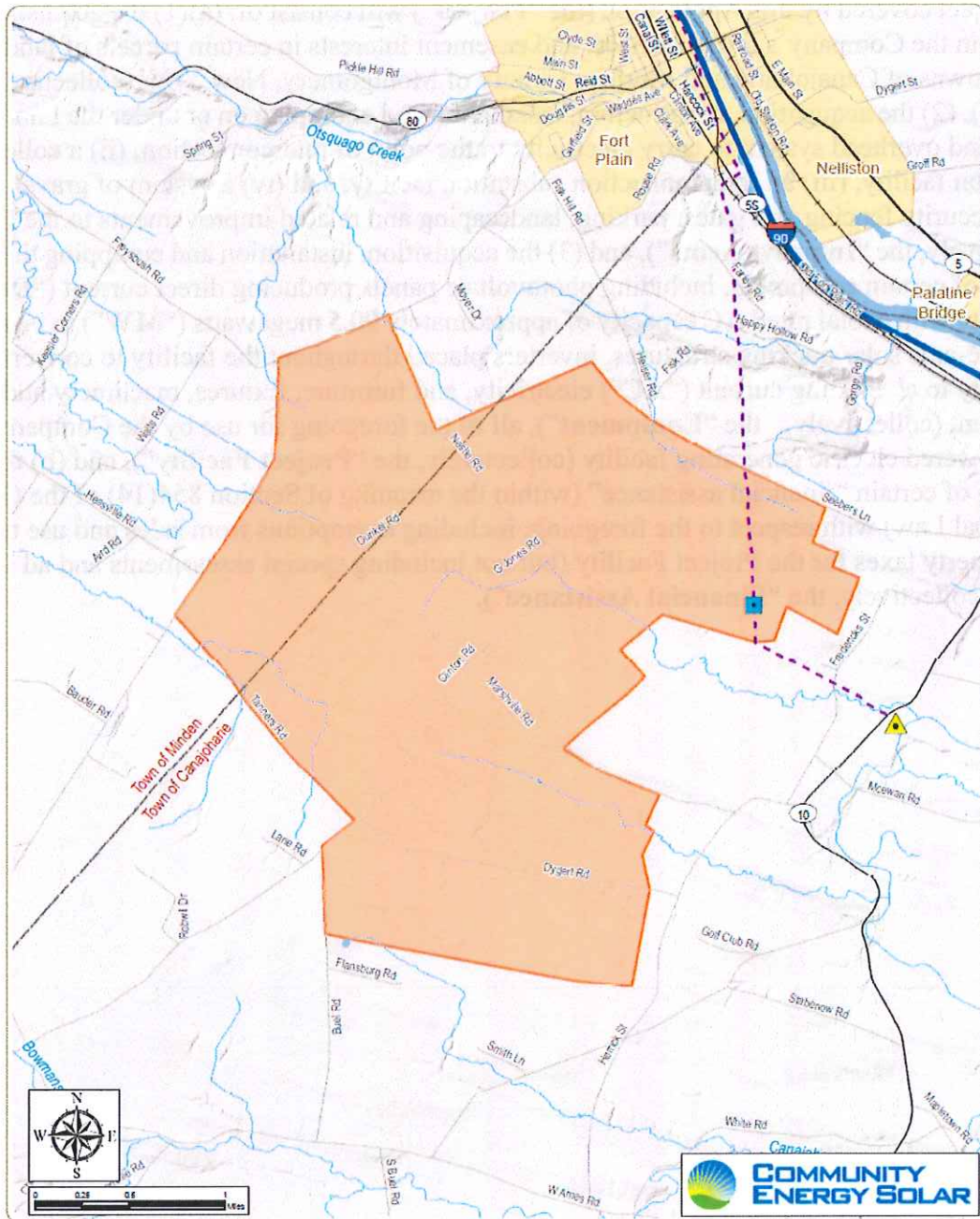
Exhibit "A"

Project Description

The project covered by this Application (the "**Project**") will consist of: (a)(1) the acquisition of an interest in the Company's fee, leasehold, and easement interests in certain parcels of land located in the Towns of Canajoharie and Minden, County of Montgomery, New York (collectively, the "**Land**"), (2) the acquisition, construction, installation and equipping on or under the Land of: (i) a buried and overhead system to carry electricity to the point of interconnection, (ii) a collection substation facility, (iii) an interconnection substation facility, and (iv) a system of gravel access roads, security fencing and gates, parking, landscaping and related improvements to the Land (collectively, the "**Improvements**"), and (3) the acquisition, installation and equipping therein and thereon of certain equipment, including photovoltaic panels producing direct current ("**DC**") electricity with a total rated AC capacity of approximately 90.5 megawatts ("**MW**") to be mounted on single-axis solar tracking structures, inverters placed throughout the facility to convert DC electricity to alternating current ("**AC**") electricity, and furniture, fixtures, machinery and equipment (collectively, the "**Equipment**"), all of the foregoing for use by the Company as a solar-powered electric generating facility (collectively, the "**Project Facility**"), and (b) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including exemptions from sales and use taxes and real property taxes for the Project Facility (but not including special assessments and ad valorem levies) (collectively, the "**Financial Assistance**").

Exhibit "B"

Project Area Map



Mohawk Solar Project

Towns of Canajoharie and Minden, Montgomery County

Figure 2: Facility Area

Notes: 1. Basemap: Hillshade derived from digital elevation model and ESRI StreetMap North America, 2012
 2. This map was generated in ArcMap on March 30, 2017.
 3. This is a color graphic. Reproduction in grayscale may misrepresent the data

- Existing Substation
- Proposed Point-of-Interconnect Substation
- St. Johnsville-Marshville 115-kV Line
- Facility Area
- Town Boundary



Exhibit "D"

Types of Employment Associated with the Project⁹ **(Section IV(D))**

Site Supervisor:

The Site Supervisor oversees the day-to-day operation and maintenance of the Project. The Site Supervisor is tasked with the safe and efficient operation of the Project, including compliance with all Federal, State and local laws and regulations, and ensuring maintenance activities are coordinated with all interconnection and power markets requirements. The Site Supervisor spends a significant portion of the workweek at the site, interfacing with contractors, scheduling maintenance and other tasks, and ensuring their proper and timely completion.

Technicians (skilled and semi-skilled):

Technicians are responsible for onsite operations, maintenance, repairs and replacement of Project equipment and property. They are properly trained and licensed to perform electrical work on solar energy systems, including medium voltage collector systems. They are capable of performing calibrations, data collection, report preparation, and repairs to the electrical and mechanical components of the Project, as well as troubleshooting and repairing the Project communications systems.

Landscapers (semi-skilled):

Contract landscapers are critical for ensuring the Project Facility maintains a neat, well-maintained appearance, and that it continues to fit well in the surrounding environment. Frequent mowing of grasses during the warm weather months, as well as planting/replanting buffer vegetation consumes most of the landscapers' time.

⁹ It is not yet known where the employee(s) will reside.

Exhibit "E"
PILOT and Financial Terms Discussed with the Agency

Applicant and the Agency have discussed the following financial terms:

Annual PILOT payment amount: \$300,000

One-time Agency Administrative Fee: \$250,000

Additional Annual Agency Administrative Fee: \$68,000

PILOT Term: 30 years