

Herkimer County Legislature
Committee on County Properties and Ways & Means
Committee Meeting
Thursday, April 9, 2020
Via Teleconference

Follows Administration/Veterans' Affairs and Ways & Means

Persons Attending:

Raymond Johnson (Chairman, County Properties, Ways & Means committee member)
Mark Gaworecki (County Properties committee member)
William Keeler, Sr. (County Properties committee member)
William Weakley (County Properties committee member)
Robert J. Schrader (County Properties committee member)
Ray Donley (County Properties, committee member)
Patrick E. Russell (Chairman of Ways & Means)
Kurt J. Ackerman (Ways & Means committee member)
Raymond Smith (Ways & Means committee member)
Frederick J. Shaw, Jr., (Ways & Means committee member)
John P. Stephens (Ways & Means committee member)
Vincent J. Bono, Chairman of the Legislature
James W. Wallace, Jr., County Administrator
Brandy Serow, Sec. to County Administrator
Lorraine Lewandrowski, County Attorney
Sheri Ferdula, Budget Officer
Steve Billings, Personnel Officer

(Non Committee Members signed in)

Legislator Gregory Malta, Sr.
Legislator Bob Hollum
Legislator John L. Brezinski
Legislator Peter F. Manno
Legislator Peter Campione

Absent:

N/A

Mr. Bono asked Mr. Johnson to call Properties to order

Mr. Johnson called Properties to order at 9:57 a.m.

COUNTY PROPERTIES AND WAYS & MEANS:

1. Solar Project Discussion
2. Other

Committee Vote Record

COUNTY PROPERTIES AND WAYS & MEANS:

Mr. Johnson stated "Item one is Solar Project discussion. I did talk to the committee yesterday. There are a couple of issues that I will throw to Lorraine on the 20 year and the 10 lease to get out of it and I will let her handle it."

Lorraine stated "This is a 20 year agreement with no way out so developers require that to be able to get proper financing, the penalty is a calculation of what the present value would be of one month times the remainder of the agreement. There is a very stiff penalty."

Mr. Johnson asked if there were any questions.

Mr. Donley asked "Is it possible to negotiate a lower amount?"

Lorraine stated "I tried repeatedly. We've been through multiple drafts of the agreement. If a better contract came along for Herkimer County can we assign it to someone else like a private company and the answer is no."

Mr. Bono asked "Lorraine, is it fair to say that an agreement like that or a stipulation like that is...?"

Lorraine stated "These are dedicated to us and the college. We are the only ones that will benefit from them. There was another type of bid called Community Power where you could be one of many using the facility so the initial consideration was this on was dedicated to us but from what I have seen if it is just dedicated to you, then the financiers require a 20 year agreement or require no way out because they are going to be doing financing based on this. The energy consultant says it's a good project but I did want to point out that we are tying us and the college up for 20 years."

Mr. Donley stated "If you look at solar projects that deal with private landowners they are also 20 year time frames so there must be a reason for them to put the 20 years in there. It's a very popular time frame."

Mr. Schrader stated "Lorraine, when I spoke with you yesterday you said the college had to sign on also. They have to pass it through their committee. Is this true before this goes through."

Lorraine stated "Yes both will have to sign on. It is split between two agreements because the college obtains their power through another entity through the SUNY System so they would have their own agreement and we would have ours. The college uses more of the power than we do along with their facilities are larger, the stadium and all of that. When they broke it out it was a larger share going to the college. I've been working with Tom Stock at the college to do this so Tom will be forwarding it the Mr. Laino and director McColgin and they have a trustees meeting on April 15th where they will consider but the two of us would both have to agree to this for this to be implemented. So the consultant said it's also a matter of sizing. In order for it to be financially viable for the developer it has to be a certain size so that size would cover 100% of

the power utilized by both the college and the county so this was a little bit different than the initial analysis which was 80%. I wanted to bring these to your attention because bid specs, the county retained the right to further negotiations with a successful bidder so the changes occurred over negotiations the past few months. They did also say that when the Legislature considered this initially, they stated a preference for a site in Herkimer County so at this time the preferred site is land I think owned by the Aney Trust. 90% certain it could be on that property. In some event if it is not, they have another site in Herkimer County they said but if the site is not going to be in Herkimer County we were not obligated to go through with this.”

Mr. Russell stated “Jim I just wanted to ask if this was taxable property?”

Lorraine stated “It is my understanding there is going to be a PILOT negotiated and their initial proposal they talked about the payment they would be paying and I understand there has been PILOTs on some of the other solar projects but I am not working with the IDA on the terms of what the PILOT would be.”

Mr. Bono stated “They have not come to the IDA as of yet.”

Mr. Russell stated “So that’s my concern putting the cart before the horse because I would certainly like to know if the pilot is as well.”

Mr. Bono stated “I guess if the IDA doesn’t issue the program the pilot won’t happen. I imagine it will be a standard PILOT as we always give as they relate to solar projects. Won’t be out of the ordinary here based on the size and the figures, it goes by size so we would issue a standard PILOT. I don’t see any reason why we would deviate from that.”

Ray Johnson asked “Jim, now with the prevailing wage, and I’m not sure if it’s in effect yet, would that effect the solar project?”

Mr. Bono answered “I don’t have a solid answer on that. Here’s the thing. Maybe I do. I don’t think that prevailing wage takes effect until 2022 or 2023 so if it starts now then no.”

Ray Johnson said thank you to Mr. Bono.

Mr. Keeler asked “Would it be better to hold off until after the college votes or should we do the vote today?”

Mr. Johnson stated “If the college votes no the project is dead, right?”

Mr. Bono stated correct.

Mr. Ackerman stated “I thought we had to wait for the college to vote.”

Lorraine stated “I asked Rob on the sequence on these have been dealt with in the past and he said typically the college votes and then the County authorizes what the college has voted on for

these types of things where we have to work together. So their meeting will be on the 15th and we will know for sure what they plan on doing.”

Mr. Bono Stated “If they vote no on the 15th we pull it then. So I will make the motion subject to that it passes the College Board.”

Item #1 - On motion of Mr. Bono, seconded by Mr. Keeler for the County Properties Committee and on motion of Mr. Shaw, seconded by Mr. Stephens for the Ways & Means Committee, Item #1 was voted on, approved and moved for Resolution. Unanimous.

Item #2 – N/A

On motion of Mr. Schrader, seconded by Mr. Keeler, the County Properties committee adjourned at 10:08 a.m.

The Ways & Means committee continued.