

APPLICATION

Electric Generation Facility Cessation Mitigation Program



State of New York
Andrew M. Cuomo, Governor

Empire State Development
Howard Zemsky, President & CEO

October 2016

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Electric Generation Facility Cessation Mitigation Program

Program

The Electric Generation Facility Cessation Mitigation Program ("Program") is being administered by the New York State Urban Development Corporation d/b/a Empire State Development ("ESD") in consultation with the New York State Energy Research and Development Authority ("NYSERDA") and the Department of Public Service ("DPS"). The Program provides grants to eligible local government entities that demonstrate qualifying reductions in the tax liability and/or payments in lieu of taxes ("PILOT") owed by an electric generation facility ("Facility") subject to their taxing authority.

Eligibility

Local government entities including counties, towns, cities, villages, school districts, and special districts (each, an "Applicant"), may apply to receive a Program grant if they realize a "Qualifying Event."

A Qualifying Event occurs if:

- (1) on or after June 25, 2015 a Facility within the Applicant's jurisdiction has ceased operations and become ineligible to participate in the markets administered by the New York Independent System Operator, Inc. ("NYISO"; such events being deemed a "Cessation"); and
- (2) such Cessation has caused a 20 percent or greater reduction in real property tax collections and/or Payments in Lieu of Taxes ("PILOTs") owed by a Facility ("Tax Loss").

Determination of Loss

The Applicant's Tax Loss is determined based on the differential between the annual real property taxes and/or PILOTs paid by the Facility to the Applicant in the year prior to the Tax Loss and the real property taxes and/or PILOTs paid by the Facility to the Applicant in the year of the Tax Loss, exclusive of penalties and interest.

The Applicant must provide documentary evidence of the actual real property tax and/or PILOTs paid by the Facility to the Applicant in the year prior to the Tax Loss and in the year of the Tax Loss. ESD shall refer applications to the Department of Taxation & Finance or to the appropriate Local Industrial Development Agency for confirmation of the Tax Loss claimed by the Applicant.

Confirmation of Cessation

Before submitting an application to ESD, Applicants must seek written confirmation from the Department of Public Service (DPS) that a cessation has occurred on or after June 25, 2015 with respect to a particular Facility within the Applicant's jurisdiction.

DPS will issue a confirmation of Cessation provided that: (i) the Facility has submitted to the NYISO and/or DPS a notice of the Facility's intent to stop generating electricity at the Facility or to voluntarily remove the Facility from service (subject to any return-to-service provisions of any tariff and that the Facility is also ineligible to participate in markets administered by the NYISO); and (ii) the NYISO confirms to DPS that the Facility is no longer producing electricity or participating in markets administered by the NYISO.

Requests for confirmation of a Cessation should be directed to DPS at:

Leka Gjonaj
Chief, Bulk Electric Systems
Department of Public Service
3 Empire State Plaza
Albany, NY 12233
(518) 486-2491
leka.gjonaj@dps.ny.gov

Such confirmation must be submitted with this application and other supporting documentation as required below. Applications can be submitted to:

Electric Generation Facility Cessation Mitigation Program
Empire State Development
625 Broadway
Albany, NY 12245

Program applications will be accepted continuously and will be reviewed on a first come, first served basis. An application will be considered complete and put on a reserve list for funding upon receipt of all items listed below except for # 7. Upon receipt of #7, ESD will refer the application to the Department of Taxation and Finance or to the industrial development authority for review and confirmation of Tax Loss. Grant payments will be made only after confirmation of Tax Loss from these entities and all necessary approvals. Incomplete applications will be returned to the local government entity with the reasons for incompleteness outlined.

Complete applications must include the following:

- 1) Original signature of eligible local government entity official (page 10 of application);
- 2) Written confirmation from DPS stating that the Facility is no longer producing electricity or participating in markets administered by the NYISO;
- 3) Name of Facility as it appears on the PILOT agreement/tax roll;
- 4) Facility owners name;
- 5) Parcel Identification Numbers (i.e., tax map section, block and lot numbers) for every parcel comprising the Facility, segregated by assessing unit if the Facility is located in more than one assessing unit;
- 6) Documentary evidence of real property taxes or PILOTs paid by the Facility to the Applicant in the year prior to the Tax Loss (e.g. payment receipts from Applicant's tax collection office);
- 7) Documentary evidence of real property taxes or PILOTs paid by the Facility to the Applicant in the year of the Tax Loss (e.g., payment receipts from Applicant's tax collection office);
- 8) A copy of the PILOT agreement, if applicable;
- 9) Completed, signed and notarized Certification of Other Compensation form (page 8 of application);
- 10) Completed W-9 (<https://www.irs.gov/pub/irs-pdf/fw9.pdf>); and
- 11) Copy of the Applicant's Non-discrimination policy statement.
- 12) Copy of the Applicant's Non-discrimination policy statement.

| | | | |
|---------------------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------------|---------|
| Applicant Information: | | | |
| Legal Name of Local Government Entity ("Applicant"): | | | |
| Name <u>and</u> Title of Official Representative of Local Government Entity: | | | |
| Address: | | | |
| City: | State: | Zip Code: | County: |
| Phone: | | Email: | |
| Applicant is a: (Check appropriate entity) | | | |
| <input type="checkbox"/> City | <input type="checkbox"/> Town | <input type="checkbox"/> School District | |
| <input type="checkbox"/> County | <input type="checkbox"/> Village | <input type="checkbox"/> Special District | |
| Has applicant received a program award in a previous year? | If yes, in what years were awards funded? | If yes, what was the amount of the awards? | |
| Yes No | | | |
| Project Manager Information, if different from the Official Representative of Local Government Entity: | | | |
| Name <u>and</u> Title of Person Managing Project on behalf of Local Government Entity: | | | |
| Address: | | | |
| City: | State: | Zip Code: | County: |
| Phone: | | Email: | |
| Local Industrial Development Agency Information, if applicable: | | | |
| Legal Name of Local Industrial Development Agency: | | | |
| Name <u>and</u> Title of Official Representative of Local Industrial Development Agency: | | | |
| Address: | | | |
| City: | State: | Zip Code: | County: |
| Phone: | | Email: | |
| Facility Information: | | | |
| Name of Electric Generation Facility (Facility), as it appears on the tax roll: | | | |
| Facility Owner's Name: | | | |
| Address: | | | |
| City: | State: | Zip Code: | County: |

Estimated Tax Loss due to the Cessation

| | | |
|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------|
| Date of Cessation: | | |
| Year of the tax roll with the last PILOT/taxable status date occurring before the Cessation: | | |
| Provide the following information for each parcel comprising the Facility. | | |
| Parcel Identification No.: | | |
| | Actual Value for Year <u>Prior</u> to Cessation | Estimated for Year of Cessation |
| Assessed Value Tax Rate: | | |
| Assessed Value: | \$ | \$ |
| Taxable Assessed Value: | \$ | \$ |
| Amount of PILOT/Taxes Paid and Estimated to be Paid: | \$ | \$ |
| Date PILOT/Taxes Paid and to be Paid: | | |
| Parcel Identification No.: | | |
| | Actual Value for Year <u>Prior</u> to Cessation | Estimated for Year of Cessation |
| Assessed Value Tax Rate: | | |
| Assessed Value: | \$ | \$ |
| Taxable Assessed Value: | \$ | \$ |
| Amount of PILOT/Taxes Paid and Estimated to be Paid: | \$ | \$ |
| Date PILOT/Taxes Paid and to be Paid: | | |
| Parcel Identification No.: | | |
| | Actual Value for Year <u>Prior</u> to Cessation | Estimated for Year of Cessation |
| Assessed Value Tax Rate: | | |
| Assessed Value: | \$ | \$ |
| Taxable Assessed Value: | \$ | \$ |
| Amount of PILOT/Taxes Paid and Estimated to be Paid: | \$ | \$ |
| Date PILOT/Taxes Paid and to be Paid: | | |

Attach additional sheet, if necessary.

ELECTRIC GENERATION FACILITY CESSATION MITIGATION PROGRAM

NEW YORK STATE URBAN DEVELOPMENT CORPORATION

d\ba EMPIRE STATE DEVELOPMENT

CERTIFICATION OF OTHER COMPENSATION

Applicants must disclose any other compensation applied for, received and/or to be received from insurance payments, additional grants or other property tax receipts that offset the tax loss for the facility. In the event additional compensation has been or will be received to offset the Tax Loss for the facility, the Applicant shall immediately repay to ESD the grant proceeds corresponding to such payment(s).

STATE OF NEW YORK)
) ss.:
COUNTY OF)

The Undersigned, being duly sworn, deposes and says:

1. I, _____, am the
_____ of _____ (the

"Applicant"), that is duly authorized to represent this entity.

(Check one)

____ I attest that Applicant has not applied for or received additional compensation such as insurance payments, grants or other property tax receipts that offset the Tax Loss for the facility.

____ I attest that Applicant has applied for and/or received additional compensation such as insurance payments, grants or other property tax receipts that offset the Tax Loss for the facility. Attached is documentation of such compensation. The source and amount is summarized below:

| <u>Source</u> | <u>Amount</u> |
|---------------|---------------|
|---------------|---------------|

2. I attest that in the event Applicant receives additional compensation such as insurance payments, grants or other property tax receipts affecting the Tax Loss that have been compensated with Program funds, the Applicant shall immediately contact ESD and repay ESD the grant proceeds corresponding to such payment.

3. I make this affidavit and the certifications contained herein, knowing that ESD will rely on the statements contained herein to make a Program grant. I am aware that the making of a false representation may constitute a felony punishable by a fine or imprisonment or both.

By: _____ Date: _____

Name: _____

Title: _____

Subscribed and sworn to before me
this ____ day of _____, 20 ____

Notary Public

ELECTRIC GENERATION FACILITY CESSATION MITIGATION PROGRAM

WIRE TRANSFER INFORMATION

Electric Generation Facility Cessation Mitigation Program
Empire State Development
625 Broadway
Albany, NY 12245

RE: WIRE TRANSFER INFORMATION

Listed below is information required to complete a wire transfer.

Bank Name: _____

ABA #: _____

Account Name: _____

Account #: _____

I hereby certify the accuracy of the above information.

(Signature of Local Government Official) Date

(Printed Name of Local Government Official)

(Title of Local Government Official)

Certification:

By signing the following, the undersigned does solemnly affirm, acknowledge and agree that:

- To the best of his/her knowledge, information and belief, all statements in the application, including all attachments hereto and any supplemental information provided herewith, are true and accurate.
- Applicant will be obligated to repay any grant funds received under this program in the event (a) its application, including any information provided therewith or thereafter, contains any material misrepresentations or is incomplete; or (b) the grant was made in error and the applicant is not entitled to assistance under the Guidelines; or (c) the supporting documentation for the actual Tax Loss is not true and complete.
- In the event the applicant fraudulently represents any information in the application or supporting documentation, ESD may exercise any and all remedies available to it under the law and shall refer the matter to the appropriate authorities for prosecution.
- This application is a request for assistance and does not obligate ESD to award any funds.
- Grants greater than \$250,000 are subject to approval by the Board of the New York State Urban Development Corporation, d/b/a Empire State Development.
- ESD reserves the right to modify the requirements of this application and to require additional information from the applicant.
- ESD, acting in its sole discretion, may reject any application that it deems incomplete, ineligible for assistance or inappropriate for funding.
- The Program will end on July 1, 2025, or such earlier date as funding is expended.
- In accordance with IRS regulations all Program Assistance disbursed to applicant will be reported by ESD to the IRS and ESD shall mail a Form 1099 to you at the address provided.
- Applicant agrees to indemnify and hold harmless ESD, as well as their respective agents, directors and employees, for any claims arising from the administration of this program.
- If funded, the application is subject to audit prior to and for up to six years from the date of disbursement of funds.
- Applicant's name and any grant award may be used by ESD or New York State in its promotional materials.
- All documents submitted will become property of ESD and will not be returned.
- Applicant authorizes ESD to confirm the Cessation and Tax Loss with and any or all of the following entities: New York State Energy Research and Development Authority; New York State Department of Public Service; New York Independent System Operator, Inc.; New York State Department of Taxation and Finance; Local Development Agencies; other federal, state or local government agencies; insurance companies; and other third parties.

Signature of Local Government Official

Title of Local Government Official

Printed Name of Authorized Representative of Applicant

Date