

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

February 3, 2025

Town of Arcade
15 Liberty Street
Arcade, New York 14009
Attn: A. D. Berwanger, Supervisor

Wyoming County Board of Supervisors
143 North Main Street
Warsaw, New York 14569
Attn: Rebecca J. Ryan, Chairwoman

Pioneer Central School District
12145 Countyline Rd.
Yorkshire, New York 14173
Attn: Nicholas Silvaroli, Superintendent

**Re: Wyoming County Industrial Development Agency
Alle-Catt Wind Energy LLC Project
Second Amended Notice of Deviation**

Ladies and Gentlemen:

This Second Amended Notice of Deviation amends that certain Notice of Deviation dated August 12, 2020 (the "Original Deviation Notice"), and the First Amended Deviation Notice (defined herein) that were each previously furnished to you by the Wyoming County Industrial Development Agency (the "Agency") pursuant to Section 874 of the General Municipal Law of the State of New York (the "General Municipal Law") regarding the above-captioned project.

The Original Deviation Notice indicated, among other things, that the Agency was contemplating a deviation from the Agency's Uniform Tax Exemption Policy (the "UTEP") as follows:

The proposed financial assistance for the Project constitutes a deviation from the Agency's UTEP because the proposed payment in lieu of tax arrangement deviates from the Agency's standard payment in lieu of tax schedule. The Agency's standard payment in lieu of tax schedule provides for payments based on the assessed value of real property, with payments attributable to the value added by new improvements calculated based on percentages of the increase in assessment attributable to such improvements. While the UTEP includes general provisions for wind energy projects it does not include a specific PILOT schedule for wind energy projects, instead providing for the payment-in-lieu of tax amount to be negotiated on a project-by-project basis.

The Agency and the Company propose to enter into an Agreement for Payment in Lieu of Real Estate Taxes (“PILOT Agreement”) which will provide for payment by the Company of an annual payment in lieu of tax of \$2,290 per megawatt (MW) AC installed capacity, with an annual increase of 1.0%. It is anticipated that the Project will have a MW AC installed capacity of approximately seventy-six (76) MWs. The PILOT Agreement will have a term of twenty (20) years. Payments in lieu of taxes will be allocated among the affected taxing jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each affected taxing jurisdiction had the Project not been tax exempt due to the status of the Agency. The PILOT Agreement will not provide any abatement for any special assessments levied on the Project. In accordance with the UTEP, in determining the PILOT amount, the Agency has considered the payments to be made pursuant to the Host Community Agreement dated February 14, 2020 between the Town of Arcade and the Company. The Town of Arcade has expressed its support for the Project.

On September 11, 2024, the Company submitted a modification request (the “Modification Request”) reflecting the following: (i) a decrease in the amount of wind turbines located in Wyoming County to ten (10) turbines totaling 45 MW AC; and (ii) that the Company is seeking an increase in the sales and use tax exemption benefit to an amount not to exceed \$16,432,913.54 and a partial exemption from mortgage recording tax for one or more mortgages aggregating an amount not to exceed \$159,069,832. On September 26, 2024, the Agency issued an amended Notice of Deviation to amend the Original Deviation Notice to reflect the Project as modified by the Company in its Modification Request (the “First Amended Deviation Notice”). On October 10, 2024, the Agency adopted an amendatory resolution (the “Amendatory Resolution”) which modified the Project’s Financial Assistance to be provided to the Company to include: (i) an exemption from sales and use taxes for building materials and machinery, equipment, fixtures and furnishings purchased for incorporation into or use at the Project location having a total cost not to exceed \$16,432,913.54; (ii) an exemption from mortgage recording taxes for one or more mortgages having a principal amount not to exceed \$159,069,832.00; and (iii) real property tax abatement pursuant to a custom, non-standard payment in lieu of tax agreement, the annual payments under which will be calculated with reference to the per megawatt (MW) AC capacity of the Project (collectively, the “Modified Financial Assistance”).

In a subsequent letter to the Agency, the Company submitted a second modification request (the “Second Modification Request”) reflecting the following: (i) a decrease in the number of wind turbines located in Wyoming County to nine (9) turbines totaling 45 MW (AC); and (ii) an updated list of project parcels which identifies a total of twenty-one (21) parcels as part of the Project (the “Updated Project Parcels”).

Accordingly, the First Amended Deviation Notice is hereby amended and restated in its entirety to read as follows:

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the “Agency”)
NOTICE OF DEVIATION
FROM UNIFORM TAX EXEMPTION POLICY
PURSUANT TO GENERAL MUNICIPAL LAW §874(4)(b)**

This Notice of Deviation is being provided to the Town of Arcade, the County of Wyoming and the Pioneer Central School District for purposes of complying with Section 874 of the General Municipal Law of the State of New York, which requires the Agency to provide written notice to affected taxing jurisdictions prior to the Agency taking final action with respect to a proposed payment in lieu of tax agreement, if said agreement deviates from the provisions of the Agency’s Uniform Tax Exemption Policy (the “UTEP”).

Description of the Project

The project consists of the acquisition, construction and equipping of an approximately 45+/- megawatt (MW) wind turbine electric generating facility, which will include the acquisition by the Agency of a leasehold interest in twenty-one (21) parcels of land located in the Town of Arcade, New York (the “Land”), and (ii) the construction of various improvements on the Land, including the installation and equipping of nine (9) wind turbines and related infrastructure, electrical connection systems and the other equipment and tangible personal property necessary for the operation by the Company of a commercial wind energy generating facility (the “Project”). The Project is part of a 340 MW wind farm electric generating facility to be constructed by the Company across a three-County footprint that includes wind turbines and related infrastructure in the Town of Centerville, Town of Farmersville, Town of Freedom and Town of Rushford in Allegany and Cattaraugus Counties.

Location of the Project

The Project will be located on twenty-one (21) tax parcels located in the Town of Arcade, New York as identified on Schedule A attached hereto.

Project Owner/Operator

The Project Operator is Alle-Catt Wind Energy LLC (the “Company”).

Proposed Financial Assistance from the Agency

The Company is seeking the following Agency incentives: (i) sales tax exemption on construction materials and sales taxable equipment purchased for incorporation in the Project or use at the Project location having a total cost not to exceed \$16,432,913.54; (ii) mortgage recording tax exemption for one or more mortgages in the aggregate amount of \$159,069,832.00; and (iii) real property tax abatement pursuant to a customized, non-standard payment in lieu of tax agreement, the annual payments under which will be calculated with reference to the per megawatt (MW) AC capacity of the Project.

Deviation From Uniform Tax Exemption Policy

The proposed financial assistance for the Project constitutes a deviation from the Agency’s UTEP because the proposed payment in lieu of tax arrangement deviates from the Agency’s standard payment in lieu of

tax schedule. The Agency's standard payment in lieu of tax schedule provides for payments based on the assessed value of real property, with payments attributable to the value added by new improvements calculated based on percentages of the increase in assessment attributable to such improvements. While the UTEP includes general provisions for wind energy projects it does not include a specific PILOT schedule for wind energy projects, instead providing for the payment-in-lieu of tax amount to be negotiated on a project-by-project basis.

The Agency and the Company propose to enter into an Agreement for Payment in Lieu of Real Estate Taxes ("PILOT Agreement") which will provide for payment by the Company of an annual payment in lieu of tax of \$2,290 per megawatt (MW) AC installed capacity, with an annual increase of 1.0%. It is anticipated that the Project will have a MW AC installed capacity of approximately forty-five (45) MWs. The PILOT Agreement will have a term of twenty (20) years. Payments in lieu of taxes will be allocated among the affected taxing jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each affected taxing jurisdiction had the Project not been tax exempt due to the status of the Agency. The PILOT Agreement will not provide any abatement for any special assessments levied on the Project. In accordance with the UTEP, in determining the PILOT amount, the Agency has considered the payments to be made pursuant to the Host Community Agreement dated February 14, 2020 between the Town of Arcade and the Company. The Town of Arcade has expressed its support for the Project.

The UTEP allows the Agency to deviate from the UTEP's standard PILOT schedule or to provide a project with enhanced benefits if the project is expected to have a significant impact in the locality where the project will be located. The Agency expects that the Project will have a significant impact in the Town of Arcade, New York. The UTEP sets forth up to thirteen (13) factors that the Agency may consider in making its determination as to whether a project is expected to have a significant impact, no single one of which is determinative. In support of the proposed deviation and in compliance with the UTEP, the Agency will consider the following factors prior to approving the proposed deviation:

1. The nature of the proposed project (e.g. manufacturing, commercial, etc.).

The Project is a renewable wind energy project that involves the acquisition of a leasehold interest in twenty-one (21) parcels of real property located in the Town of Arcade (as identified on Schedule A) and the construction and equipping of a 45+/- MW commercial wind farm facility.

2. The nature of the property before the project begins (e.g., vacant land, vacant building, Brownfield site, etc.).

The Project site consists of multiple parcels of land that are vacant and/or are currently or formerly used for agricultural purposes.

3. The economic condition of the area at the time of the application and the economic multiplying effect the project will have on the area.

The Town of Arcade is a rural community located in the southwestern corner of Wyoming County. The economic condition of the community and surrounding area is challenged by several economic factors, including difficulties in the agricultural and manufacturing sectors. The recent COVID-19 pandemic has had a significant and ongoing negative impact on the local economy. The Project will have a positive economic multiplying effect on the community. The Company estimates that as many as four hundred (400) individuals will be working full-time construction

jobs for a period of up to 18 months in connection with the construction and installation of the entire Alle-Catt Project. Workers will utilize local businesses, such as hotels, restaurants, gas stations, hardware stores and equipment rental companies, resulting in increased sales and sales tax revenue.

4. The extent to which the project will create or retain permanent, private sector jobs, the number of jobs to be created/retained and/or the salary ranges of such jobs.

The Project is expected to create one (1) permanent private sector job at an anticipated annual salary of \$60,000.

5. The estimated value of tax exemptions to be provided.

The estimated value of the sales tax exemption for the Project is approximately \$1,314,633.08. The estimated value of the mortgage recording tax exemption for the Project is approximately \$1,193,023.74. The value of the real property tax exemption is dependent upon the installed MW capacity of the project. Assuming 45 MW installed capacity, it is anticipated that the estimated real property tax benefit will be in the approximate amount of \$14,100,038.00.

6. The economic impact of the project and the proposed tax exemptions on affected tax jurisdictions.

The Project and the proposed tax exemptions will have a positive economic impact on the affected taxing jurisdictions. The Company will be making PILOT payments to the affected taxing jurisdictions in excess of the amounts that are currently being paid as real property taxes on the Land. Upon the expiration of the PILOT Agreement, the Project Facility will be subject to normal real property taxes.

7. The impact of the proposed project on existing and proposed businesses and economic development projects in the vicinity.

It is anticipated that the Project will facilitate the reduction of real property taxes, which would have a positive impact on existing and proposed business and economic development projects in the Town and vicinity.

8. The amount of private sector investment generated or likely to be generated by the proposed project.

Investment by the Company is expected to be approximately \$162,736,170.81.

9. The likelihood of accomplishing the proposed project in a timely fashion.

The Project is expected to be completed in a timely manner. On June 3, 2020, the New York State Board on Electric Generation Siting and the Environment (the "Siting Board") issued an Order Granting Certificate of Environmental Compatibility and Public Need, With Conditions ("Siting Board Order"), which further advanced the overall project through the Article 10 proceeding.

10. The effect of the proposed project upon the environment and surrounding property.

The effect of the proposed Project on the environment was addressed by the Siting Board as part of the Article 10 proceeding, and as specifically as set forth in the Siting Board Order. The Project will result in the production of renewable, green energy, which will have a positive impact

on the environment and be in furtherance of and consistent with New York State energy policies. The Project will assist the State of New York in meeting its clean energy goals.

11. The extent to which the proposed project will require the provision of additional services including, but not limited, educational, transportation, emergency medical or police and fire services.

It is not anticipated that the Project will impose any significant additional burdens on municipal, educational or similar services.

12. The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts in which the project is located.

The Project will provide additional sources of revenue to the Town of Arcade, the County of Wyoming and Pioneer Central School District through the PILOT payments that will be made during the twenty (20) year term of the PILOT Agreement. Other sources of revenues to be generated by the Project include sales tax revenue generated by construction workers, and the real property taxes generated when the Project Facility is placed on the tax rolls upon the expiration of the PILOT Agreement.

13. The extent to which the proposed project will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the project is located.

The Project will provide an economic benefit to the Town of Arcade in the form of PILOT payments that the Town would not otherwise receive absent the Project or the Agency's participation in the Project. The Project will also provide a benefit by increasing the amount of clean energy being produced in the Town of Arcade, consistent with and in furtherance of New York State clean energy goals and requirements.