Jefferson County Industrial Development Agency

800 Starbuck Avenue, Suite 800
Watertown, New York 13601

ph: 315.782.5865 / 800.553.4111
fx: 315.782.7915

www.jcida.com

December 19, 2025

To: The Chief Executive Officers of
Affected Tax Jurisdictions in Jefferson County

Re: Jefferson County Industrial Development Agency
Uniform Tax Exemption Policy (UTEP)

Ladies and Gentlemen:

The Jefferson County Industrial Development Agency (the "Agency") will consider amending its Uniform Tax Exemption Policy (UTEP) at its board meeting on January 8, 2026. This is the policy that governs our use of incentives to encourage business investment and job creation/retention in Jefferson County.

We have enclosed a copy of the proposed UTEP for your review. The Agency is considering UTEP revisions that would allow the Agency to provide financial assistance to renewable energy projects above 20MWac, along with other updates required by State legislation, including considerations for projects that include daycare facilities.

Please note that on January 8, 2026 at 8:00 a.m., local time, the Agency will conduct a public hearing regarding the proposed UTEP. In addition to the policy document, we have also enclosed a copy of the Notice of Public Hearing. You are welcome to attend the hearing in person or virtually via the link provided in the notice, at which time you will have the opportunity to present your views orally and/or in writing.

In the meantime, please feel free to contact me directly if you have any comments or questions.

Sincerely,

F. Marshall Weir
Chief Executive Officer

Enclosures

UNIFORM TAX EXEMPTION POLICY

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
UNIFORM TAX EXEMPTION POLICY AND GUIDELINES

Pursuant to the authority vested in it by Article 18-A of the General Municipal Law of the of the State of New York, the Jefferson County Industrial Development Agency (the "Agency") may provide financial assistance to qualified applicants for the taxable bonds or by participation in straight lease transactions.

The general policy of the Jefferson County Industrial Development Agency ("Agency") is to grant applicants real property tax abatements and exemptions from sales, use and mortgage recording taxes as described below. The Agency may grant enhanced benefits on a case-by-case basis for a project expected to have a significant economic impact on the County of Jefferson as determined by the Agency's members.

The Agency generally does not require real property appraisals to be performed as part of the application for financial assistance. However, the Agency does reserve the right to require a real property appraisal as part of an application for financial assistance.

The Agency has adopted this Uniform tax Exemption Policy to provide guidelines for the claiming of real property, sales and use tax and mortgage recording tax abatements.

A. Real Property Tax Abatements.

1) <u>Industrial and Non-Industrial Projects.</u> The Agency maintains a policy for the provision of real property tax abatements for qualified projects undertaken by the Agency where the Agency acquires a fee or leasehold interest in real estate. The abatement provided by the Agency for qualifying industrial and non-industrial projects shall apply to the value added to real property brought about by construction and/or renovation of qualifying projects (the "Added Value"), above the parcel's assessed value prior to construction or renovation (the "Base Value"). In establishing these values, the Agency shall have the option of relying on data provided by the assessor for the impacted jurisdiction or requiring the applicant to furnish an appraisal from a qualified commercial real estate appraiser, approved in advance by the Agency.

The period of real property tax abatement for a project shall not exceed the period of the respective project financing or lease, and under no circumstances shall the period of abatement exceed fifteen (15) years (the "PILOT Term"). The abatement shall be on a graduated schedule applicable to county, municipal and school real property taxes, and will result in increasing percentages of real property taxes due over the PILOT Term. Any schedule shall be graduated such that the total abatement provided shall not exceed a fifty percent (50%) abatement over a fifteen (15) year period. Eligible projects include industrial projects (i.e. manufacturing, remanufacturing, assembly, processing, product research and development, etc.); non-industrial projects (i.e. warehouse, wholesale/distribution, commercial, qualified retail subject to the limitations of Section 862(2) of the Act, office building, renewable energy (subject to the PILOT terms set forth below) and hotel projects.

2) Renewable Energy Projects The Agency may provide real property tax abatements to renewable energy projects, as defined within the Act to include any project and associated real property on which the project is situated, that utilizes any system or equipment as set forth in Section 487 of the Real Property Tax Law ("RPTL") or as defined pursuant to paragraph (b) of subdivision one of Section 66-p of the Public Service Law as added by chapter one hundred six of the laws of 2019~~, with a rated capacity of less than 20 megawatts AC~~. The Agency has established a standard PILOT Structure for Renewable Energy Projects, as follows:

a. Term: The PILOT abatement schedule for Renewable Energy Projects shall be (i) for a period of up to 15 years for Renewable Energy Projects with a rated capacity of up to 20MWac, and (ii) for a period of up to 25 years for Renewable Energy Projects with a rated capacity of over 20MWac.
~~a. no more than 15 years.~~

b. Fixed Payment Schedule for Renewable Energy Improvements: Agency PILOT Agreements for Renewable Energy Projects shall provide a fixed dollar amount per megawatt AC faceplate rating of the project (the "Base Payment"). The Base P~~p~~ayment schedule will include a minimum of two percent (2%) escalator on the prior year's payment. Once so calculated, the Agency reserves the right to (i) alter the order of escalation in which annual ~~the~~ payments are made, and (ii) to include an energy price incentive payment to be determined upon the area within which the proposed Renewable Energy Facility project is to be located (the "Incentive Payment"), such Incentive Payment to be negotiated on a project-by-project basis depending upon whether the project operator intends to sell energy to the open market or through one or more power purchase agreements ("PPA").~~.~~

c. PILOT Agreements for Renewable Energy Projects shall also require annual payment of the equivalent of full taxes on the land included within the project facility, which shall be based upon the assessed value as determined by the applicable assessor. Portions of existing tax parcels not included within a project ground lease will remain classified as fully taxable.

d. Any participation by the Agency in sponsoring a R~~r~~enewable E~~e~~nergy P~~p~~roject shall take into account (i) all local and/or state regulatory approvals and requirements; (ii) whether a project sponsor enters into one or more host community agreement(s) with local communities, along with any upfront and/or annual host community payment requirements, and (iii) comments and feedback from affected tax jurisdictions.

e. Agency financial assistance for Renewable Energy Projects shall be limited to real property tax exemptions and related PILOT Agreements, and will not include the provision of sales and use tax exemptions, nor mortgage recording tax exemptions.

~~d.~~f. The Agency shall annually establish a minimum fixed dollar amount to establish the Base Payment, as defined above. The Base Payment for each project will be determined based upon criteria such as total MWac generation, current land use and value, land ownership and lease structure, and others as determined by the Agency. The foregoing considerations shall include the Agency's priority for the preservation of Actively Farmed, Prime Farmland for agricultural purposes. In determining the amount of Base Payment for any Renewable Energy Project, the Agency shall consider whether the land upon which a Renewable Energy Project is to be located is being Actively Farmed and whether the soil constitutes Prime Farmland. The Agency shall utilize its discretion to determine discounting factors for Base Payments where a proposed Renewable Energy Facility will be located upon lands that are not Actively Farmed. The Agency also reserves the right to utilize its discretion to determine enhanced Base Payments where a proposed Renewable Energy Facility will be located upon lands categorized as "Prime" or "Prime - If Drained".

B. Sales and Use Tax Exemptions.

The Agency maintains a policy for the provision of sales and use tax exemptions for qualified projects undertaken by the Agency. Where the Agency authorizes the undertaking of a project in accordance with the Act and has appointed an applicant its agent to undertake same, the Agency may enter into one or more agreements with such applicant evidencing such appointment and allowing the applicant to purchase and/or lease materials, equipment and taxable services as agent of the Agency. The abatement provided by the Agency for qualifying projects shall apply to purchases of construction materials and equipment rentals and purchases of project related equipment, furnishings and services made as agent for the Agency, and are therefore afforded full exemption from local and New York State Sales and Use Taxes until the project is completed (i.e. certificate of occupancy). Operating and maintenance expenses of projects are not eligible for sales or use tax relief and no sales tax exemption shall be provided by the Agency for purchases and rentals after a project is completed.

All project applicants must agree in writing to file with the New York State Department of Taxation Form ST-340, and/or such other forms as may from time to time be required, and annual statement of the value of all sales and use taxes exemption claimed in connection with the facility in full compliance with Section 874(8) of the Act.

C. Mortgage Recording Tax Exemptions.

The Agency maintains a policy to provide mortgage recording tax exemptions for qualified projects undertaken by the Agency. Where the Agency authorizes the undertaking of a project in accordance with the Act and the applicant secures one or more loans to pay for project acquisition or improvements that will be secured against the project with one or more mortgages, the Agency may participate as a non-recourse mortgagor with the applicant for purposes of exempting any mortgage recording taxes that would otherwise be due and payable but for the Agency's involvement with the project. The Agency's Policy is to permit mortgage recording tax exemptions on all project related financing to the full extent permitted by New York State Law, whether or not the Agency has issued its bonds to finance the Project.

The Agency may, in its sole discretion, permit mortgage recording tax exemptions on non-project related financings, (e.g. second mortgages on the project to secure subordinated indebtedness of the project applicant). In determining whether to permit such exemptions on non-project related financing, the Agency shall consider such factors as it deems appropriate, including but not limited to the use of the property, the degree of investment, the degree and nature of the employment and the economic condition of the areas in which the facility is located.

D. Deviations.

Any project not listed in this policy or any proposed PILOT Agreement, the terms of which are outside the provisions of this policy, as determined by the Agency, shall be treated as a deviation. In accordance with the Act, the Agency shall notify affected taxing jurisdictions prior to undertaking any proposed deviation from this policy and the reasons therefore. Any deviations from the foregoing standard policy shall require the affirmative consent of each affected taxing jurisdiction and will be made only with the specific approval of the Agency's members based on the factors listed in paragraph E to this policy and those described in Section 874(4)(a) of the Act.

E. Evaluation Criteria.

The determination of whether a project is qualified to receive financial assistance from the Agency shall be based on the criteria identified in the Agency's cost benefit analysis and the Application. In making its determination the Agency may consider any or all of the following criteria, no single one of which is determinative:

1) The nature of the proposed project (e.g., manufacturing, commercial, industrial, mixed use, retail, renewable energy, etc.).

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

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.

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

5) The number of construction jobs associated with the project and the extent to which

the project utilizes local labor.

6) The estimated value of tax exemptions to be provided.

7) The estimated value of other public assistance.

8) The economic impact of the project and the proposed tax exemptions on affected taxing jurisdictions.

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

10) The amount of private sector investment generated or likely to be generated within Jefferson County by the proposed project.

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

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

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

14) The extent to which the proposed project when completed will enhance the long term tax base and/or make a significant capital investment.

15) 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.

16) the contribution of the project to the State's Renewable Energy Goals and emission reduction targets as set forth in the New York State Energy Plan adopted pursuant to Section 6-104 of the Energy Law.

17) Any other pertinent reasons deemed relevant by the Agency provided said reasons are set further in writing.

F. PILOT Agreement Approval Process.

All applications for PILOT agreements shall be reviewed and evaluated pursuant to the Agency's existing policies, and the applicant shall be required to adhere to these policies for the duration of the PILOT Term. Failure to do so may result in cancellation of the PILOT at the Agency's sole discretion.

The Agency shall comply with applicable provisions of the Act in connection with the provision of financial assistance to any applicant requesting financial assistance of more than $100,000, including the scheduling and conduct of a public hearing in accordance with Section 859-a of the Act. In addition to public hearing notice requirements contained within the Act, the agency has established the following practices:

1) Prior to conducting any required public hearings for a project, Agency staff shall work closely with representatives of the affected taxing jurisdictions to discuss the proposed project and shall provide each affected taxing jurisdiction with the following materials: (i) a copy of the application submitted to the Agency, (ii) a cost-benefit analysis relating to the project, (iii) a summary of the terms and structure of financial assistance to be provided by the Agency (including proposed PILOT abatement or payment schedule(s); (iv) whether the Agency is considering a deviation from this policy with respect to the proposed project; and (v) any additional information an affected taxing jurisdiction may deem necessary or appropriate to their deliberations.

2) The Agency's final approval of any PILOT Agreement shall be contingent upon the applicant securing all approvals required for the project from any impacted jurisdiction and providing proof thereof to the Agency.

3) The Agency's final consideration and approval of a PILOT Agreement shall be contingent upon compliance with the New York State Environmental Review Act and the regulation promulgated thereunder (SEQRA). For all actions considered to be Type I under SEQRA the Agency shall be considered an involved agency, and the applicant shall be responsible to identify the Agency as such in its submittals to the Lead Agency.

4) Each project receiving any abatement from real property taxes will be subject to a PILOT Agreement in a form acceptable to the Agency and in compliance with the Act. The Agency will consider project factors, similar to those described in paragraph F to this policy, when determining the amounts to be paid under the PILOT Agreement.

5) A copy of the PILOT Agreement will be forwarded to each of the affected taxing jurisdictions within fifteen (15) days of execution. In accordance with Section 858(15) of the Act, unless otherwise agreed by the affected taxing jurisdictions, all PILOT Agreements shall provide that PILOT Payments received shall 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 as a result of the Agency's involvement in the project.

6) If it is desired by the affected taxing jurisdictions to establish a negotiated allocation of PILOT payments for a particular project (other than pro-rata), the Agency shall provide the affected taxing jurisdiction with forms of approving resolutions for consideration in connection with the establishment of an agreed distribution formula. Any allocation of PILOT payments other than pro-rata shall be considered to be a deviation requiring affirmative consent of all affected taxing jurisdictions.

7) The Agency shall require all project applicants to make commitments with respect to the use of local labor and all such project sponsors shall comply with any and all applicable codes of conduct with respect to ethics and conflicts of interest, and in accordance with all applicable policies of the Agency.

G. Recapture of Benefits.

Project applicants must agree that the agency, at its sole discretion and on a case-by-case basis, may determine, (but shall not be required to do so) with respect to a particular project, that a project has failed to meet its intended goals and may recapture the value of any or all exemptions from taxation granted with respect to the project by virtue of the Agency's involvement. The Agency's review and determination in connection with the recapture of benefits shall be conducted pursuant to the Agency's Recapture Policy, as the same may be amended from time to time.

H. Effective Date.

This Uniform Tax Exemption Policy shall apply to all projects for which the Agency has adopted or adopts an Inducement Resolution after January 8, 2026.

I. Amendments.

The Agency, by resolution of its members, and upon notice to all affected taxing jurisdictions as may be required by law, may amend or modify the foregoing policy as it may, from time to time, in its sole discretion determine.

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing will be held by the Jefferson County Industrial Development Agency (the "Agency") on January 8, 2026 at 8:00 a.m. at 800 Starbuck Avenue, Suite 800, Watertown, New York 13601, in connection with the matter described below.

Pursuant to Article 18-A of the General Municipal Law ("GML"), the Agency has undertaken the review of enhancements to its "Uniform Tax Exemption Policy" or "UTEP", which is required to be adopted with input from Affected Tax Jurisdictions pursuant to GML Section 874(4). The Agency invites any members of the public and all Affected Tax Jurisdiction to provide written comments and/or attend the Agency's public hearing, following which Agency will consider adoption of the updated UTEP.

A representative of the Agency will be at the above-stated time and place to present a copy of the UTEP, which is also available for viewing on the Agency's website at: www.jcida.com. Virtual participation is available at the Zoom link: https://us02web.zoom.us/j/84355250468?pwd=R0t4VjRPdGJBZDJrL2JQYVVjKytDdz09 Meeting ID: 843 5525 0468, Passcode: 011440, 1-929-205-6099.

The Agency encourages all interested parties to submit written comments to the Agency, which will all be included within the public hearing record, which can be submitted to F. Marshall Weir, Chief Executive Officer, Jefferson County IDA, 800 Starbuck Avenue, Watertown, New York 13601 and/or mweir@jcida.com.

DATED: December 23, 2025

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY