

Public Hearing – Greenidge Generation, LLC

Tuesday, August 20, 2019 – 9:00 A.M.

Minutes of Proceedings

Attendance: Steve Griffin, CEO, Finger Lakes EDC, Doreen Jensen Administrative Assistant/CFO, Finger Lakes EDC, Rita Gow, Treasurer, Finger Lakes EDC, Grant Downs, Town of Torrey Councilman, Bob Denson, Pat Flynn, Supervisor, Town of Torrey, Danielle Mettler LaFeir, Barclay Damon, Dale Irwin, Greenidge, Larry Martin, John Ghidiu, Robert Johnson, Greenidge, John Moreland, Stacey Jordan, Abi Buddington, Carolyn McAllister, Ian, Smith, Tim Chambers, Eileen Moreland, Christopher Gill, Greenidge, Margery Hayes, Phillip Bracht, Beth Cain, Leah Murray, Linda Lefko, Linda Downs, Colby Petersen, Paul Crumlish, and Jane Crumlish

The Public Hearing on the proposed straight leaseback transaction by the Finger Lakes Economic Development Center on behalf of Greenidge Generation was held in the Town of Torrey Board Room, 56 Geneva Street, Town of Torrey, Village of Dresden, Yates County New York on Tuesday, August 20, 2019 at 9:00 A.M.

Good Morning, my name is Steve Griffin, and I am the Chief Executive Officer of the Yates County Industrial Development Agency (the “Agency”).

This Public Hearing is being held to allow citizens to make a statement, for the record, relating to the involvement of the Agency with a project (the “Proposed Project”), as described below, for the benefit of Greenidge Generation, LLC a New York limited liability company.

Greenidge Generation LLC (the “Company”) has requested that the Agency consider undertaking a project (the “Project”) consisting of: (A) (1) the acquisition of an interest in a parcel of land located at 590 Plant Road in the Town of Torrey, Yates County, New York (Tax Map # 40.03-1-1.111), containing in the aggregate approximately 139.20 acres (the “Land”), (2) the construction on the Land of a new data processing facility to contain approximately thirty (30) separate metal box type units installed on gravel pads, together with a storm water management system (collectively, the “Facility”), and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be owned and operated by the Company and to constitute a data processing facility and other directly and indirectly related activities; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency (collectively, the “Financial Assistance”).

PLEASE NOTE THAT THE COMPANY HAS REQUESTED FINANCIAL ASSISTANCE IN THE FORM OF AN EXEMPTION FROM SALES TAX ONLY WITH RESPECT TO THE PROJECT. ACCORDINGLY, THE AGENCY WILL NOT BE CONSIDERING ANY OTHER FORM OF FINANCIAL ASSISTANCE WITH RESPECT TO THE PROJECT, INCLUDING ANY POTENTIAL REDUCTION IN REAL PROPERTY TAXES.

I intend to provide general information on the Agency’s general authority and public purpose to provide assistance to this Proposed Project. I will then open the comment period to receive comments from

all present who wish to comment on either the Proposed Project or the Financial Assistance contemplated by the Agency with respect to the Proposed Project.

Legal Authorization and Powers of the Agency

The provisions of Chapter 1030 of Laws of 1969 of New York, constituting Title I of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York as amended, and Chapter 113 of the 1975 Laws of the State of New York, as amended, codified as Section 893-b of said General Municipal Law (collectively, the "Act"), authorize the Agency to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining and equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others.

Purpose of this Public Hearing

Pursuant to Section 859-a(2) of the General Municipal Law of the State of New York (the "Act"), prior to the Agency providing any "financial assistance" (as defined in the Act) of more than \$100,000 to any project, the Agency, among other things, must hold a public hearing pursuant to Section 859-a of the Act with respect to said project. Since the proposed "financial assistance" to be provided by the Agency with respect to the Proposed Project may exceed \$100,000, the Agency must hold a public hearing on the nature and location of the Project Facility and the proposed "financial assistance" to be provided by the Agency with respect to the Proposed Project.

After consideration of the Application received from the Company, the members of the Agency adopted a resolution on July 17, 2019 (the "Public Hearing Resolution") authorizing the Chief Executive Officer of the Agency to conduct this Public Hearing with respect to the Proposed Project pursuant to Section 859-a(2) of the Act.

The Chief Executive Officer of the Agency caused notice of this Public Hearing to be (A) mailed on July 19, 2019 to the chief executive officers of Yates County, the Town of Torrey and the Penn Yan Central School District, (B) published on July 24, 2019 in The Chronicle Express, a newspaper of general circulation available to the residents of the Town of Torrey, Yates County, New York. In addition, the Chief Executive Officer of the Agency caused notice of this Public Hearing to be posted (1) on July 19, 2019 on a public bulletin board located at the Yates County Courthouse, located at 415 Liberty Street in the Village of Penn Yan, Yates County, New York, (2) on July 22, 2019 on the public bulletin board located at the Town of Torrey Town Hall, located at 56 Geneva Street in the Village of Dresden, Yates County, New York and (3) on July 22, 2019 on the public bulletin board located at the Village of Dresden Village Hall, located at 3 Firehouse Avenue in the Village of Dresden, Yates County, New York.

We have made arrangements to prepare a tape recording of this Public Hearing in order to accurately make a record of the public comments. Copies of the notice of this Public Hearing are available on the table.

Now, unless there is any objection, I am going to suggest waiving the full reading of the notice of this Public Hearing, and instead request that the full text of the notice of this Public Hearing be inserted into the record of this Public Hearing.

NOTICE OF PUBLIC HEARING
ON PROPOSED PROJECT
AND FINANCIAL ASSISTANCE
RELATING THERETO

Notice is hereby given that a public hearing pursuant to Section 859-a(2) of the General Municipal Law of the State of New York (the "Act") will be held by the Yates County Industrial Development Agency (the "Agency") on the 20th day of August, 2019 at 9:00 o'clock a.m., local time, at the Town of Torrey Meeting Room located at 56 Geneva Street in the Village of Dresden, Town of Torrey, Yates County, New York in connection with the following matters:

Greenidge Generation LLC, a New York limited liability company (the "Company"), has presented an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in a parcel of land located at 590 Plant Road in the Town of Torrey, Yates County, New York (Tax Map # 40.03-1-1.111), containing in the aggregate approximately 139.20 acres (the "Land"), (2) the construction on the Land of a new data processing facility to contain approximately thirty (30) separate metal box type units installed on gravel pads, together with a security fence and a storm water management system (collectively, the "Facility"), and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to be owned and operated by the Company and to constitute a data processing facility and other directly and indirectly related activities; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

The Agency is considering whether (A) to undertake the Project, and (B) to provide certain exemptions from taxation with respect to the Project, including (1) exemption from mortgage recording taxes with respect to any documents, if any, recorded by the Agency with respect to the Project in the office of the County Clerk of Yates County, New York or elsewhere, (2) exemption from deed transfer taxes on any real estate transfers, if any, with respect to the Project, (3) exemption from sales taxes relating to the acquisition, construction, renovation and installation of the Project Facility, and (4) in the event that the Project Facility would be subject to real property taxation if owned by the Company but shall be deemed exempt from real property taxation due to the involvement of the Agency therewith, exemption from real property taxes (but not including special assessments and special ad valorem levies), if any, with respect to the Project Facility, subject to the obligation of the Company to make payments in lieu of taxes with respect to the Project Facility. If any portion of the Financial Assistance to be granted by the Agency with respect to the Project is not consistent with the Agency's uniform tax exemption policy, the Agency will follow the procedures for deviation from such policy set forth in Section 874(4) of the Act prior to granting such portion of the Financial Assistance.

If the Agency determines to proceed with the Project, the Project Facility will be acquired, constructed, reconstructed and installed by the Agency and will be leased (with an obligation to purchase) or sold by the Agency to the Company or its designee pursuant to a project agreement (the "Agreement") requiring that the Company or its designee make certain payments to the Agency.

The Agency has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law (the "SEQR Act") regarding the potential environmental impact of the Project.

The Agency will at said time and place hear all persons with views on either the location and nature of the proposed Project, or the Financial Assistance being contemplated by the Agency in connection with the proposed Project. A copy of the Application filed by the Company with the Agency with respect to the

Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the offices of the Agency. A transcript or summary report of the hearing will be made available to the members of the Agency.

Additional information can be obtained from, and written comments may be addressed to: Steve Griffin, Chief Executive Officer, Yates County Industrial Development Agency, One Keuka Business Park, Suite 104, Penn Yan, New York 14527; Telephone: (315) 536-7328.

Dated: July 19, 2019.

YATES COUNTY INDUSTRIAL DEVELOPMENT
AGENCY

BY: _____
Steve Griffin, Chief Executive Officer

The comments received today at this Public Hearing will be presented to the members of the Agency at or prior to the meeting at which the members of the Agency will consider whether to approve the undertaking of the Project by the Agency and the granting by the Agency of any "financial assistance" in excess of \$100,000 with respect to the Project.

Written Comments

The notice of this Public Hearing indicated that written comments could be addressed to: Steve Griffin, the Chief Executive Officer of the Agency. No written comments have been received by the Agency prior to this Public Hearing.

S. Griffin commented that he had given a brief description of the project and will invite Dale Irwin up to review the project in detail. Dale Irwin reported that Robert Johnson would give the project overview. CEO Steve Griffin introduced Robert Johnson, of Greenidge Generation, LLC, who will describe the Proposed Project in further detail.

Robert Johnson showed a map where 30 - 8' W x 40' L containers would be located on the property where the data processing center would be located. The grassy area is sloped so there will two areas with one holding 24 containers and to the north will be 6 more containers. Robert Johnson reported that they had talked with members of the Dresden Fire Department to make sure the road would be adequate and safe for emergency purposes. R. Johnson reported that each container would have its own transformer and carry equipment that would be do the processing. These will all use low voltage power.

S. Griffin reviewed the Community Profile which consists of \$79,125,603 total projected capital investment for this project. The company will be creating 10 full time jobs over three years and 16 jobs will be retained. There will be 25 construction jobs will be created for the project. The total sales tax exemption abatement for county and NYS is projected to be \$6,112,054. S. Griffin reported we provide an incentive overview when we receive the application that is provided to our Board. S. Griffin commented that we utilize a database that we subscribe to called JOBSEQ. This helps project the

multiplier effect for jobs. In addition, the company has worked with the Town Assessor and it is projected they will pay an additional \$96,132.20 annually in property taxes. Over 15 years the additional projected property taxes will be \$1,441,983.05. S. Griffin reported that the total direct payroll over 15 years would be \$11,400,000. Indirect and induced wages and this is what the CHUMRA JOBSEQ database calculates the multiplier effect would be \$5,094,000 over 15 years. The total capital investment over 15 years is \$97,061,586 and this is the total economic benefit to the community. The community investment in the project is the \$6,112,054 which is the sales tax abatement. S. Griffin reported that the Company Investment to Community Investment ratio is 16:1. S. Griffin explained for every \$1 the company does not have to pay, \$16 is coming to the community.

S. Griffin opened the Public Hearing for public comment at 9:13 o'clock, a.m.

By way of operating rules, if you wish to make a public comment, please raise your hand, and I will call on you. Please wait to be recognized, once recognized, please stand and state your name and address for the record. Please sign in if you haven't already done so.

Please keep your comments to three (3) minutes so that all those present today may have a chance to comment for the record. If your comments mirror those of someone who has already spoken, you may so indicate and then relinquish the podium to another speaker so that all views represented at this hearing may be heard.

When everyone has had the opportunity to speak, I will conclude this Public Hearing. A record of this Public Hearing will be prepared and reviewed by the members of the Agency in connection with the Agency's consideration of the Proposed Project.

Again, the purpose of this Public Hearing is to solicit public comment. We are not here to answer questions. However, we will in the course of this Public Hearing consider questions if we have the information to answer the questions and there is sufficient time to consider such questions. Further, questions or comments regarding environmental, planning, zoning, design and related issues regarding the Proposed Project are outside the scope of this public hearing. In addition, comments regarding the general operations of the power plant and the natural gas pipeline are not relevant to the consideration of the Proposed Project. Lastly, general comments regarding industrial development agencies are not relevant to this Public Hearing.

I will now ask if there is anyone in attendance who wishes to comment on either the nature or location of the Project Facility or the proposed "financial assistance" being contemplated by the Agency with respect to the Proposed Project.

For the record, please state your name and indicate your comments on either the Proposed Project or the proposed "financial assistance" being contemplated by the Agency with respect to the Proposed Project.

1.) John Ghidui, 1207 Anthony Beach Road – inquired as to whether the FLEDC is giving Greenidge \$100,000? S. Griffin replied my agency is not giving them any money. The FLEDC is proposing to grant them sales tax exemption only for the Data Center Project. J. Ghidui inquired if the letter read this morning is readily available for distribution? S. Griffin said yes, but we do not have copies with us today. J. Ghidui inquired as to what is the purpose of this project? D. Irwin replied it is to process algorithm service for Greenidge and possibly for others. It is a data processing center.

2.) Margaret Hayes, 1303 Flint Road – M. Hayes commented that a data center takes a lot of energy. This is the perfect place for a data center. M. Hayes commented that this is a perfect semi clean project.

The newspaper story stated that the power plant hasn't generated power in over a year is this true? Dale Irwin replied not true. S. Griffin reminded everyone that the questions are regarding the data center project and not how the plant is operating. M. Hayes commented when the plant is running there was noise pollution, a loud whining sound. Dale Irwin inquired if M. Hayes had heard the noise this week? M. Hayes replied no. D. Irwin reported they had been operating all week.

3.) Phil Bracht, 1294 Arrowhead Beach Road – P. Bracht commented that it is hard to express concerns when we don't know more about the project. Most businesses have to make it on their own. Questions on benefit of giving away \$6 million. P. Bracht inquired about the impact of how much water they are allowed to draw from Seneca Lake. P. Bracht inquired whether the jobs created for the project can be filled from within from Yates County? P. Bracht inquired if this was a way for them to use power they are producing since there is no need for it. P. Bracht questioned if they need the benefit of the \$6 million. Will this project reduce taxes? If no benefit to him in reduced taxes or other benefits, he would be reluctant to support the project. P. Bracht commented that most businesses have to make it on their own. Questioning how much benefit we receive by giving away \$6 million dollars.

4) Robert Denson, Greenidge – R. Denson commented that if we can't employ people in the area there is no economic benefit. R. Johnson commented that the water being discharged back in lake is warmer than when they take it in. R. Denson inquired whether there will be another meeting to have their concerns addressed? R. Denson commented that environmental issues are still a concern. Greenidge will be utilizing more power so concern is about water temperature and the ecosystems. These concerns need to be looked at. If there is no environmental impact why not move forward? S. Griffin reiterated that the Company will be creating 10 full time jobs.

5.) Larry Martin, 1925 Perry Point Road – L. Martin inquired if the jobs being created would be people that will be relocated here or will the jobs be remote? D. Irwin replied that the jobs will be operated right here and they will look to fill the jobs from talent pool in Yates County. D. Irwin reported that the Plant is operating 24/7. The job created number was a conservative number and more jobs could be created. D. Irwin reported that these are high paying jobs with good benefits such as healthcare and retirement. L. Martin inquired whether this would alter the original PILOT agreement? S. Griffin replied no this would not change the original PILOT. L. Martin stated that the original PILOT agreement had different payments based on plateaus that would affect the taxes that the Company would pay. D. Irwin reported the plateaus are still in place. L. Martin inquired if using more power for the data center will affect the plateau? S. Griffin will verify. L. Martin stated that if there is no benefit, he is not for the sales tax exemption.

6.) John Moreland, 1292 Arrowhead Beach Road - J. Moreland inquired as to what kind of jobs this project would create. S. Griffin replied that there will be all different skill sets consisting of managers, technical experts, and general service positions who could troubleshoot any server issues. The plant will also have to hire additional operators as they will be creating more power. S. Griffin reported that there will be a mixture of skill sets.

7.) Linda Downs, 1250 Arrowhead Beach Road – L. Downs commented that if they are generating more power, they are taking more water from lake. L. Downs is concerned about the fish being pulled in. They need to have the DEC required screens in place to protect fish and not to discharge water at a higher temperature than what is coming in.

8.) Eileen Moreland, 1297 Arrowhead Beach Road – E. Moreland reported that the highest levels of HABs reported on Seneca Lake are in the bay area near power plant. E. Moreland stated that Dale Irwin said in 2015 that they would have screens in place in 2019. They are putting water back in lake at a higher temperature. It is time to think of the residents. They have done nothing for the residents. D. Irwin

commented maybe we should think of the residents that live and work at the Plant who are supporting their families.

9.) Beth Cain, 1275 Arrowhead Beach Road - B. Cain commented that she had recently bought a home here this Spring. The reason we came here is because of the beautiful lake. My husband and I have been coming to this area for a long time and I have witnessed the declination of water quality due to HABS. We need to focus on the wildlife and quality of life around here. We are only talking 10 jobs and we need to look at the impact on wildfowl. The FLEDC Board needs to take a good long look at quality of life for this area. B. Cain inquired as to how many were here from Greenidge. D. Irwin reported that Seneca Lake was the best fishing when Greenidge was running. S. Griffin reminded everyone that comments need to be regarding the data processing center and not operation of the plant.

10) Abi Buddington, 81 Charles Street – A. Buddington commented that she came to learn more about what was being planned. A. Buddington wants good jobs and economic development but she also wants to be a good citizen. A. Buddington commented that her concern is the money needs to come back to the community. A. Buddington is concerned that 10 jobs is not enough of an impact to make a greater crisis on our environment and water quality, fish, wildfowl, water runoff, and noise pollution. A. Buddington commented that the fish, wildfowl and water can't speak for themselves so we need to make sure we don't hurt our tourism economy.

11) Danielle Mettler LaFeir of Barclay Damon representing Greenidge – D. Mettler LaFeir reported that NYS DEC issued water withdrawal permit and SPDES (State Pollutant Discharge Elimination System) permit to Greenidge. There is a lot of requirements on these permits. The SPDES permit has several requirements one being an installation of a variable speed drive that allows the plant to change the amount of water they are pulling in so they only pull in what they need to use. This was required to be installed by October and was installed in June. The second item was the installation of the white-water screens. White water screens are very technical and require studies to be done before installation. They are currently working on the study now. The white-water screens you have to plan for to make sure the screens will do what they need to do. Greenidge has met or exceeded all of these requirements and will continue to do so.

12.) Eileen Moreland, 1297 Arrowhead Beach Road – E. Moreland commented that the FLEDC should not have moved forward without the Environmental Impact Statement. We cannot go back in history but the FLEDC should not have allowed Greenidge to restart without that or a public hearing. E. Moreland commented that we would not have these issues now. They are still paying little in taxes.

13) Abi Buddington, 81 Charles Street – I know we can't go back in time, but you can learn from history. If you go back to how it got to be restarted, she thought it was a fast track. A. Buddington thinks it was a few individuals that pushed for the plant to get restarted.

S. Griffin would like to hear from anyone who has not already commented.

14.) Tim Chambers, 69 Seneca Street – T. Chambers commented that he has lived here his whole life. As a teenager or before he can remember his Mom not being able to hang clothes out due to the fly ash. NYSEG fixed that problem. T. Chambers commented that he worked there for 33 years and NYSEG constantly was making it better all the time. T. Chamber can't believe that all of the neighbors here didn't know that the plant had been running all week. The plant continues to make improvements all the time. Keuka Lake has issues with HABS and there is not a power plant located on Keuka Lake or other lakes. T. Chambers reported it was better fishing with the plant running then when the plant was not running. T. Chambers reported that the Osprey catch more fish than what is taken in the intake pipes. T. Chamber commented that you have valid concern's, but you should work with Greenidge and accept them in to the community. T. Chambers thought it was a good idea to move forward with the project.

15.) Carolyn McAllister, 78 Charles Street – C. McAllister reported she has no issues with generating jobs. She is concerned with the taxes going up this year. C. McAllister reported that Village Tax and Town of Torrey will be reassessed next year. C. McAllister reported that \$6 million is drop in a bucket for a billion-dollar company.

16.) John Ghidiu, 1207 Anthony Beach Road – J. Ghidiu agreed with Carolyn McAllister's comment. J. Ghidiu commented that he owned his own business for over 20 years, I never asked for assistance. You have to plan. If your business can't make it without assistance you need to relook at your plan. Any business venture you need to look at the risks, what will it cost, what is the return of investment. J. Ghidiu commented that if you can't make it with assistance you need to rethink your strategy. J. Ghidiu commented that S. Griffin stated 10 jobs with managers with a plural. How many managers do you need? These high-quality jobs will need education and expertise and doesn't think that they will find these people in Yates County. J. Ghidiu feels that these jobs won't impact anyone in Yates County.

S. Griffin reported that he combined the one independent contractor job the company listed with one manager job listed as they had very similar salaries and just called it two managers. That was his fault. The Company only stated one manager.

S. Griffin reported that the Board will look at all the comments. S. Griffin commented that we have a three-legged economy which is agriculture, tourism and manufacturing. S. Griffin reported that the Board is aware of the impact of the environment on all three parts of the economy and will hear all the comments.

S. Griffin reported that from the jobs aspect these jobs are bringing a skill set here that we are trying to attract. We are trying to attract higher paying jobs. S. Griffin reported that he brags that the County's unemployment is low and that there are not that many people on assistance which is great, however, Yates County still has among the lowest median wage in New York State. The FLEDC goal is to attract high paying jobs to help increase the County's median wage.

S. Griffin thanked everyone for attending.

If there are no further comments, S. Griffin closed the Public Hearing at 9:52 o'clock a. m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Doreen J. Jensen". The signature is written in dark ink and is positioned above the printed name.

Doreen J. Jensen