

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

Notice is hereby given by the Ulster County Industrial Development Agency (the “Agency”) that a public hearing (the “Public Hearing”) pursuant to Section 859-a of the General Municipal Law of the State of New York (the “Act”) and Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”) will be held by the Agency on the 31st day of January, 2023 at 7:00 o’clock p.m., local time, at the Town of Ulster Town Hall located at 1 Town Hall Drive, Lake Katrine, Ulster County, New York in connection with the following matters:

Zinc8 Energy Solutions USA Inc. (the “Company”) has submitted an application (the “Application”) to the Agency, requesting that the Agency consider undertaking a project (the “Project”) consisting of the following: (A) the acquisition and installation of certain machinery, equipment and other tangible personal property including, without limitation, tenant improvement and finish (collectively, the “Equipment”) and the undertaking of various tenant and interior fit-up and other improvements (collectively, the “Improvements”) (the Equipment and the Improvements being collectively referred to as the “Project Facility”) to the building containing approximately 237,000 square feet of space (the “Facility”) located on parcels of land at 300 Enterprise Drive (Tax Map Number: 48.7-1-29.800) in the Town of Ulster, Ulster County, New York (collectively, the “Land”), the Project Facility to be owned by the Company and to be used by the Company in connection with its operation of a manufacturing/commercial/industrial facility for commercial, manufacturing, and warehouse space and related uses; (B) the financing of all or a portion of the costs of the foregoing by the issuance of taxable and/or tax-exempt revenue bonds of the Agency in one or more issues or series in an aggregate principal amount sufficient to pay all or a portion of the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to equal approximately \$10,000,000 (the “Obligations”); (C) the payment of a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; (D) the granting of certain other “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes (collectively with the Obligations, the “Financial Assistance”); and (E) 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 Land and the Facility are owned by iPark 87 LLC (the “Owner”), and the Company is currently negotiating a lease for space in the Facility with the Owner in connection with the undertaking of the Project.

The Agency is considering whether (A) to undertake the Project, (B) to finance the Project by issuing, from time to time, the Obligations, (C) to use the proceeds of the Obligations to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, and (D) to provide certain exemptions from taxation with respect to the Project, including (1) exemption from sales taxes relating to the acquisition, construction, equipping and installation of the Project Facility, and (2) 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 issuance of the Obligations are approved, interest on the Obligations will not be excludable from gross income for federal income tax purposes unless (A) pursuant to Section 147(f) of the Code and the regulations of the United States Treasury Department thereunder (the “Treasury Regulations”), the issuance of the Obligations is approved by the County Executive of Ulster County, New York after the Agency has held a public hearing on the nature and location of the Project Facility and the issuance of the Obligations; (B) pursuant to Section 144(a)(12) of the Code, at least ninety-five percent (95%) of the net proceeds of the Obligations are used to provide a “manufacturing facility,” as defined in Section 144(a)(12)(C) of the Code; and (C) pursuant to Section 146 of the Code, there is allocated to the Obligations a portion of the private activity bond volume cap of the Agency and/or the State of New York sufficient to equal the face amount of the Obligations.

If the Agency determines to proceed with the Project and the issuance of the Obligations, (A) the Project Facility 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 payments equal to debt service on the Obligations and make certain other payments to the Agency and (B) the Obligations will be a special obligation of the Agency payable solely out of certain of the proceeds of the Agreement and certain other assets of the Agency pledged to the repayment of the Obligations. **THE OBLIGATIONS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR ULSTER COUNTY, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR ULSTER COUNTY, NEW YORK SHALL BE LIABLE THEREON.**

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 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: Lisa Purcell, Administrative Personnel, Email: info@ulstercountyida.com.

Dated: January 12, 2023.

ULSTER COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

BY: /s/ Diane Eynon, Ph.D.

Chair