

# Real Estate Journal

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## Yonkers IDA approves economic deal for \$200 million construction of green power converter station



Rendering of the Power Converter Station - Yonkers, N.Y.

The board of Yonkers Industrial Development Agency (IDA) has passed a resolution to negotiate an economic incentive package with Champlain Hudson Power Express, Inc. (CHPE) that would facilitate the construction of a 1,000-megawatt (MW) power converter station. Located between the MetroNorth rail lines along the Hudson River and Kawasaki Rail Car, Inc., the proposed Champlain Hudson Power Express project will bring up to 1,000 megawatts (MW) of clean wind and hydro power to the New York metro area. The IDA's action also authorized a public hearing on the project to be held at a future date.

The 23,000 s/f CHPE station, designed by the architecture firm of Cook + Fox, will be a LEED-certified, environmentally responsible design that will complement the surrounding area while generating new tax revenue for the city. The project is being developed by Transmission Developers Inc. (TDI) which develops High Voltage direct current underwater transmission systems.

"Yonkers recognizes that this TDI transmission project, with its environmentally responsible design, will result in clean, low-cost renewable energy and jobs - both critical to the economic future of the entire New York metro area," said mayor Philip Amicone, chair, Yonkers IDA. "We will work with CHPE and TDI to create a fair agreement so this project can move forward and bring numerous benefits to Yonkers, including significant tax

revenue."

The converter station, which would cost up to \$200 million to build, will house semiconductor arc valves, transformers, and other equipment. A separate "gateway" building will arch over the entry to the facility and will house CHPE's administrative offices, as well as a security checkpoint.

A permanent office staff of between 12 and 15 legal, accounting and administrative staff will be required to manage the business operations. Permanent security/plant personnel will be on site as well. The project will also create approximately 140 construction jobs.

The plant will also generate significant new revenue for Yonkers through a long-term full property tax agreement.

Work at other locations along the Hudson River would begin in the fall of 2011 and take three years to complete. Construction would begin in Yonkers in spring 2012 and be completed by year-end 2014.

Ellen Lynch, president and CEO of the Yonkers IDA said, "Our primary mission at the Yonkers IDA is to make responsible financial decisions that bring us long-term benefits. A project that generates substantial new tax revenue, new jobs and offers a design consistent with the area's development is a win-win for our community. The IDA will work with TDI to create a financial incentive plan that achieves these goals."

An incentive plan could include a full tax agreement, a mortgage recording tax exemption and a sales and use tax exemption. Following a public hearing, a final resolution on the project must come back to the Yonkers IDA board for approval.