

# *Downeast LNG Newsletter*

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## Letter to the Community

Downeast LNG is committed to working in partnership with the people of Robbinston and Washington County to build a first class LNG import terminal that is safe, environmentally-friendly and provides good jobs and economic opportunities for local residents.

We deeply believe in what we're doing and that by working together with local residents we can create tremendous benefits for this area. We also respect and understand the natural concerns people have about the effect a project like ours can have on their community. This is why we'd like to share our vision of the future here in Washington County, and our role in making it happen.

We see Robbinston and Washington County as a place of natural beauty full of independent, hard working people who want greater opportunities for themselves and for young people so that they too can live, work, and raise their families here. We believe that our project offers the promise of good jobs, new small business opportunities, and stable tax rates, which is why we are determined to make it happen.

Beyond this, Downeast LNG has put considerable thought into ways to make this a landmark project, one that demonstrates that an energy project can not only provide economic benefits, but can work collaboratively with the community to capture and reflect the values and skills of the people who reside here. Your input in this collaboration has been critical in shaping the project, and the active involvement of the Robbinston Advisory Committee, starting in September of this year, helped create the economic plan that documents Downeast LNG's ongoing commitment to the town. Attached to this letter is a summary of our commitment to the community, the financial component of which is estimated at \$3.6 million annually.

In addition to the clear direct benefits, Downeast LNG wanted to further stimulate the local economy in ways beyond our project that will have a lasting positive impact. That is why we announced in the beginning of our project our intent to establish an economic development fund for Washington County that will receive \$500,000 per year from our operations. This fund will be managed by representatives of Robbinston and other leaders in the County, and can be used however the collective community deems best to stimulate long-term business opportunities.

With both plans in place and fully funded, Robbinston could develop a sustainable business development plan, and together with the larger County could develop a regional vision that captures local talent and ingenuity. With some good strategic planning and annual support from Downeast LNG, we believe that Robbinston and Washington County can create a thriving long term business environment that inspires its young people to stay here.

In the past few years, Washington County has been "discovered" by many for its natural beauty and affordable homes. This infusion of new people to the area has brought new attitudes and ideas about how things should be, which is sometimes in conflict with the needs and desires of

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longtime residents and Native Americans. We believe that diversity helps any economy thrive, and we believe that this area can support all kinds of businesses, from LNG to aquaculture, gourmet mustard, canneries, and art galleries.

There is no either/or decision to be made regarding our project versus the existing economy in the region. We have been contacted by ferry operators, fishermen, whale watching tour operators, and representatives of salmon aquaculture to discuss potential conflicts and find ways to avoid conflicts altogether. We value this dialogue and will continue to work with any organization or individual that is open to seeking a better understanding of how our operations can successfully coexist with theirs.

It's been an exciting first year, and we look forward to working together with you in the coming months and years ahead. Best wishes to you and your family for the New Year!

A handwritten signature in black ink that reads "Dean P. Girdis". The signature is written in a cursive style with a large initial "D".

Dean Girdis  
Downeast LNG

# Downeast LNG Proposal to Town of Robbinston



The following pages provide a summary of the Downeast LNG proposal to the Town of Robbinston as developed cooperatively by Downeast LNG and the Robbinston Advisory Council, which included members representing the community and public interests.

- The proposal is based upon requests made by the Robbinston Advisory Committee
- The proposal is in “Draft Form” – a formal legal agreement is now in preparation
- The total estimated value to the people of Robbinston is \$3.6 million annually
- There is no cap on Downeast LNG property tax payments
- Our first preference is hiring Robbinston residents during construction and operations
- Downeast LNG commitments are binding to future partners or investors
- Independent arbitration of any disputes, if necessary

## Value of Agreement with Town of Robbinston

- Downeast LNG Tax Obligation for Town Budget \$1.2 million

Current Town Budget	\$	302,944
Increased Town Obligations	\$	978,720
<b>New Town Budget</b>	<b>\$</b>	<b>1,281,664</b>

*Downeast LNG tax obligation is 92% of total town budget  
Town obligations increase because of higher county taxes and loss of school subsidies*

- Community Development Fund \$1.2 million
- Line Item Commitments \$1.2 million

Annual Expenses	Total	Finance Cost
Fire equipment upgrade	\$ 500,000	\$ 46,800
Finance costs for new school	\$ 5,000,000	\$ 468,000
Playground and land acquisition	\$ 500,000	\$ 46,800
Assisted living	\$ 3,000,000	\$ 278,000
Scholarship		\$ 10,000
Fuel oil and propane distribution cost		\$ 300,000
<b>Total Annual Costs</b>		<b>\$ 1,149,600</b>

- **Annual Downeast LNG Obligations** **\$3.6 million**

# Downeast LNG Proposal to Town of Robbinston



## Downeast LNG Property Taxation Payments

- Downeast LNG tax payments are a function of town budget
- Downeast LNG has no limitations on our property tax payments
- With the LNG facility, total property tax valuation increases from \$30 million to \$430 million
  - As a result, the town mill rate will decline from 0.0138 to 0.0038, and
  - Downeast LNG will pay about 92% of property taxes (town budget)
- This results in an estimated 60% reduction in residents' property taxes. For example:

HOME VALUE	\$	100,000
CURRENT TAX BILL	\$	1,380
TAX BILL WITH LNG	\$	380
<b>YOUR SAVINGS</b>	<b>\$</b>	<b>1,000</b>

HOME VALUE	\$	75,000
CURRENT TAX BILL	\$	1,035
TAX BILL WITH LNG	\$	285
<b>YOUR SAVINGS</b>	<b>\$</b>	<b>750</b>

## Community Development Fund (CDF)

- Downeast LNG will establish a CDF for the Town of Robbinston.
- CDF will provide Robbinston with discretionary funds for local investment and services
- Downeast LNG will contribute the following:
  - At the commencement of construction, Downeast LNG will contribute \$100,000 annually until the plant becomes operational
  - Once operational, Downeast LNG will make an annual contribution of \$1,200,000. This amount will be reduced \$1.00 for every \$1.00 that the Downeast LNG yearly tax exceeds \$1,500,000
- Downeast LNG will always make a minimum contribution of \$100,000 annually.

## Fire and Emergency Service

- Estimated upgrades of about \$500,000
- Downeast LNG agrees to pay for all expenses associated with maintaining and upgrading fire equipment and fire with respect to Downeast LNG LNG plant needs
- Downeast LNG agrees to pay for any other emergency service and security protection
- Downeast LNG agrees to pay for initial training needs

# *Downeast LNG Proposal to Town of Robbinston*



## **Economic Development**

- First preference is hiring Robbinston residents during construction and operations

### Construction Jobs

- Downeast LNG will employ as many local Washington County workers as possible
- Basic construction job training will be made available to qualified hires, if needed

### Operating Jobs

- Downeast LNG will employ as many local workers as possible
- All training required for the local hires will be paid for by the Downeast LNG with trainees receiving payroll during the training period

## **Washington County Economic Development Trust (WCEDT)**

- Guaranteed 25% representation for the Town of Robbinston on the WCEDT Board of Directors

## **Robbinston Business Owner and Fishermen Compensation**

- Downeast LNG will compensate businesses for losses if they are adversely affected by the LNG plant

## **School and Education**

- Downeast LNG agrees to fund the construction of a new school
  - Estimated cost of elementary school is \$5 million
- Downeast LNG will construct an outdoor multi-sports recreation complex and playground on land agreed to by both parties
  - Estimated land cost of \$250,000
  - Estimated construction cost of \$250,000 - \$500,000
- Downeast LNG will provide annually two college scholarships of \$5,000 each

## **Transportation**

- Downeast LNG will protect and maintain roads

## **Assisted Living Home for Elderly**

- Downeast LNG will renovate the existing school into an assisted-living home or build a new facility
  - Estimated cost of \$2 to 3 million



## Energy Distribution Costs

- Downeast LNG will study the feasibility of providing LNG or natural gas at its wholesale Northeast market price to residents, if this is not feasible
- Downeast LNG agrees to pay for local distribution costs for propane or home heating oil once the plant opens
  - Distribution costs are typically about 25% (Ex. \$2.00 gallon fuel oil, \$0.50 distribution)
  - Estimated distribution cost savings of \$300,000 annually, about \$800 per household

## Environment and Health

Downeast LNG will:

- Keep light and noise levels in compliance with applicable regulations and at a minimum between 10pm and 6am
- Use the cleanest burning, energy efficient motors and vehicles, if reasonably available, to minimize air emissions
- Monitor emissions/discharges and make data available to town residents in a timely matter and in an understandable format
- Install a quick alert system to use whenever air quality is compromised or for any other environmental or safety risk to the public, as a result of facility operations
- Continue to make factual information available about LNG facilities and transport in general and this facility in particular
- Be responsible for any upgrades or alterations mandated or deemed necessary by changes in applicable governmental regulations for environmental safety or health
- Create a permanent committee of Robbinston citizens to perform ongoing monitoring of health and safety issues

## Homeowners' Compensation

- Downeast LNG will have one-to-one discussions with homeowners to address their respective concerns
- Downeast LNG offers to abutting property owners, those owning property immediately across Route 1 from the facility, and those owning property on the shoreline of Mill Cove facing the project, one of the following three compensation options:
  - a one-time impact fee payment of \$25,000 to each homeowner;
  - any increased cost over the value of the existing property necessary to purchase or build a reasonably similar home and property in the Robbinston area, including payment for reasonable moving expenses; or
  - protection of property market value prior to LNG announcement, based upon independent appraisal with property value escalation based on average price appreciation in Washington County.