

Tompkins County Industrial Development Agency

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South Hill Business Campus Combined Heat and Power Energy Project – Community Benefits Overview 12/18/13

Project Overview

The South Hill Business Campus is a 288,000 square foot multi tenant facility with a mix of 42 professional, office, industrial, and high tech tenants. Originally, the headquarters of National Cash Register, the multi tenant complex is conveniently located on Route 96B across from Ithaca College and close to Downtown.

The project for which incentives are being requested is the design, construction and installation of a 250KW combined heat, cooling and power (CHCP) system for the South Hill Business Campus office wing (aka the addition), which represents approximately 14% of the facility. The \$1.1 million project will reduce the cost of energy, use energy more efficiently and dramatically reduce emissions. The system will use natural gas to generate electricity and use heat recovery.

Energy-Related Investment Projects are eligible for a sales tax abatement under the Tompkins County IDA's Uniform Tax Exemption Policy which states "The IDA wishes to encourage local businesses to invest in facilities and equipment that will increase energy efficiency and/or transition to renewable energy sources, reduce operating costs, and lower emissions. The IDA will consider offering sales tax abatements to encourage these types of investments. . ." This would be the first application submitted for an energy-related investment. The policy was adopted in 2008.

The applicant has requested a sales tax abatement for this project. Following is a summary of the projected costs and benefits as a result of this project.

Financial Cost/Benefit

	Costs (value of abatement)		Benefits	
Sales Tax	Local	\$26,000	Local	-
	State	\$26,000	State	-
		<u>\$52,000</u>		<u>-</u>

Other Benefits

Local Construction Labor – ASI Energy, an Ithaca-based company, will do the installation. ASI Energy pays a prevailing wage.

Increase Energy Efficiency – This installation is projected to reduce grid purchases from 5,500,000 kwh to approximately 3,900,000 kwh.

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Greenhouse Gas Reductions –Total Greenhouse Gas emissions saved in year 1 will be approximately 15,862 CO₂e tons for a 98% reduction. This is equivalent to 2,616 cars removed or 747 homes removed.