

# Tompkins County Industrial Development Agency

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## Delaware River Solar (NY Newfield I, II and III) – Community Benefits Overview 1/12/17

### Project Overview

The applicant, Delaware River Solar, is proposing three separate, 2 megawatt (MW) community solar arrays – applications named Newfield I, II, and III – for a total of 6MW of off-site, renewable energy generation. The Project in total will generate enough clean renewable energy to power approximately 1,200 homes. The project is located on 56.81 contiguous acres of land on Millard Hill Road in the Town of Newfield. Residents and businesses in the NYSEG load zone C, which includes Tompkins County will be able to sign up for electricity at a 10% discount for the first year with a 2% increase in cost each year thereafter.

The project was presented to the Newfield Town Board although there is no zoning and no formal approval process at the Town. The Town agreed that they did approve of the concept contingent upon the acceptance of the building permit fee, acceptance of a PILOT, acceptance of a decommissioning escrow agreement and an explanation of the vegetative screening (Town Board minutes dated 7/18/16). The project would have been tax exempt for 15 years as a result of the Town and other taxing jurisdictions participating in Real Property Tax Law (RPTL) section 487. However, the law does provide the Town the opportunity to require a PILOT, which Delaware Solar did pursue with the Town. When the Town discovered that RPTL 487 limited the term of the PILOT to 15 years, the Town contacted IDA staff to request the IDA deliver the PILOT for 20 years to match the land lease and projected useful life of the solar arrays.

The applicant has submitted this as three separate 2MW projects (Newfield I, II and III). The reason for this is related to the state community solar regulations that limit projects to 2MW or less. The debt financing for each project will be separate as well and the applicant desires three PILOT agreements, one for each 2 MW array. ***Each application is nearly identical. The only difference is on page 3, the tax parcel number and the total acreage.*** The environmental review will be completed as one entire project per state environmental review requirements. There are no approvals that triggered SEQR by any other agency, so the IDA will need to act as lead agency for the review and make the final determination. The IDA will secure legal and other assistance for this process, which will be paid for by the applicant.

### Cost-Benefit Analysis

- Extent to which project would create and/or retain private sector jobs

The Project will not create any on-site jobs. A local firm will be retained to provide ongoing maintenance.

- Estimated value of tax exemption

The Project is financially unfeasible if a reduction in property taxes is not granted. At full estimated valuation, the Project would pay approximately \$138,000 per year in property taxes. The proposed PILOT of \$48,000 per year (\$8,000 per MW @ 6 MW) with a 2% escalator will enable the Project to move forward.

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- Estimate of private sector investment to be generated by the project - \$12,596,523

- Likelihood of completing project in a timely manner

There is a reasonable expectation that the project will move forward in 2017. The developer has received necessary approvals to interconnect to the electrical grid and received an allocation of incentives from NYSEERDA. Financing is in process, but not yet secured. There is no approval or permitting required in the Town of Newfield. The applicant has executed leases with the landowner. The applicant has received bids for construction. The applicant anticipates financing will be secured and construction can begin in March of 2017. The applicant's affiliate company, Xzerta Energy Group, does have a track record, having developed 50MW of commercial scale renewable energy throughout the US and the Caribbean.

- Extent to which project would generate additional sources of revenue for local taxing jurisdictions

The project would generate \$1,164,000 in new property tax revenue over 20 years.

- Other benefits that might result from the project:

The project will reduce carbon emissions by providing renewable energy generation to power approximately 1,200 homes. The project supports the States renewable energy goals and the County's carbon emission reduction goals.