

Tompkins County Industrial Development Agency

Administration provided by Ithaca Area Economic Development

NSF Enfield Solar Sites 1, 2, & 3 – Community Benefits Overview

5/12/21

Project Overview

Norbut Solar Farms is proposing the construction of three separate 5-Megawatt AC Community Distributed Generation (CDG) photovoltaic arrays on 157 acres, or 62%, of a 252.54-acre parcel on Applegate Road in the Town of Enfield.

Commercial and residential customers who purchase electricity from NYSEG will be able to purchase “green” solar energy at a discount without investing in their own systems. The combined annual savings on electricity and delivery charges on an estimated mix of 40% residential and 60% commercial customer bills could amount to \$80,000-\$100,000 a year in savings, or over \$2,000,000 over the life of the project.

The IDA’s standard solar PILOT is range of \$4,200-\$4,800 per megawatt with a 2% annual increase for 25 years. The applicant is requesting a deviation from this policy, suggesting a PILOT payment in year one of \$3,000 per megawatt plus a host community agreement of \$1,200 paid directly to the Town of Enfield – both amounts to increase 2% per year for 30 years. The applicant addresses this request in a cover letter accompanying the applications for the three projects.

Estimated town, county and school district taxes paid on the entire 252.54-acre parcel last year was \$19,682. It is expected that 32% of the parcel will remain vacant and taxable (i.e. not part of the solar project PILOT) and could pay an estimated \$7,479 in property taxes in addition to the \$45,000 paid under the PILOT, for an increase in property taxes of approximately \$32,000 in year one.

A letter from the Town of Enfield supporting the IDA delivering a PILOT for this project is currently included in the application materials. The Town is also receptive to receiving the suggested host community agreement amount of \$1,200 per megawatt per year.

Cost-Benefit Analysis

- Extent to which project would create and/or retain private sector jobs – There will be no on-site direct jobs as a result of this project. There will be an estimated 50-70 constructions workers including electricians, civil engineers, access road construction crews and landscapers, with salaries ranging from \$40,000-\$60,000.
- Estimated value of tax exemption – The project is not financially feasible with the current valuation method in place in NYS for assessing solar projects. The estimated tax payment could be as high as \$400,000 and does not take into account the declining value of the solar ‘improvement’ over time. IDA’s all over NYS have stepped in to support solar development and provide a reasonable, predictable payment structure. The proposed PILOT yields an estimated \$32,000 in new tax payments in year one that would not be realized if this project does not move forward.

- Estimate of private sector investment to be generated by the project – \$20,100,000
- Likelihood of completing project in a timely manner – over \$406,000 in predevelopment costs have already been expended. A 25% interconnection deposit of \$97,991 was made in April. Town approvals have been secured. SEQR is in process. The applicant company has over 100 mw of solar in development, construction and operation across New York State.
- Extent to which project would generate additional sources of revenue for local taxing jurisdictions – local fire district taxes will be paid based on the as built assessment, generating more in tax revenue than the current \$980 per year paid based on the value of the vacant parcels. New district fire taxes could be as much as \$24,000 per year. A \$1,200 host community agreement payment with a 2% increase for 30 years is proposed to be paid annually to the Town of Enfield.

- Other benefits that might result from the project:

Indirect Spending – construction phase spending is estimated at \$400,000-\$600,000 on food, lodging, fuel, entertainment and amenities for construction workers.

Renewable Energy Generation – The project will reduce carbon emissions by providing renewable energy generation. The project supports the New York State goals to transition to renewable energy sources and the County’s carbon emission reduction goals.