

PROJECT EVALUATION and COST/BENEFIT ANALYSIS

(As required by Section 869-A3 of New York General Municipal Law)

Project Applicant: **Morristown Solar II, LLC, Project #4001-20-03**

Project Types and Evaluation Criteria: The Agency, in its discretion, shall evaluate each project type below based on the totality of applicable factors, taking into account the total economic impact, and no one factor may be determinative. In any case where a project may be categorized by more than one type listed below, the evaluative criteria for each applicable project type should be applied to the applicable component of the project.

- 1) Manufacturing/Warehousing/Distribution Projects
- 2) Agricultural/Food Processing Projects
- 3) Adaptive Reuse/Community Development Projects
- 4) Tourism Projects
- 5) Other Retail Projects
- 6) Back Office/Data or Call Center Projects
- 7) Energy Production Projects
- 8) Affordable Housing Projects
- 9) Senior Housing Projects
- 10) Market Rate Housing Projects
- 11) Other Projects

Energy Production Projects

For Energy Production Projects, the Agency should consider the following criteria, as applicable:

- The information provided in the Cost Benefit Analysis;
- The capital investment being made by the applicant;
- The impact, if any, from local labor construction for the project;
- Wage rates (above median wage for area);
- In region purchases (percentage of overall purchases for project)
- Advances renewable energy production/transmission goals;
- How the project advances renewable energy production/transmission goals; and
- The need being met for the municipality and/or region.

Morristown Solar II, LLC, a wholly owned subsidiary of Source Renewables, LLC, is developing plans for a 5.0 MW-AC solar array to be installed on approximately 29.72 acres of agricultural field located on two tax parcels at County Road 2 in the Town of Morristown. The total site acreage at the project location (tax parcel IDs: 97.003-2-4.112 and 97.003-2-20.1) is 52.5 acres. These properties currently have an assessed tax value of \$34,900, providing approximately \$1,000 in property tax payments.

Activities include the installation of a ground-mounted solar energy system of 17,388 hi quality bi facial solar panels totaling 6.955 DC MW and 5 MW AC. will be constructed with a single axis tracker racking system that will allow the solar panels to track the sun as it moves across the southern sky from east to west each day. Also, includes new electrical equipment, and accessories for underground aboveground electrical lines, 25-ft. wide gravel access road and a 7-ft. tall fence. The maximum depth of ground disturbance will not exceed 4 ft. and the helix screws (or H-piles) of the solar tables will be installed at a depth of approximately 8-10 ft. New landscaping will be installed to screen the project site. There will be minimal vegetation removal, grading, and ground disturbance from solar modules/panels installation. The maximum extent of ground disturbance will be less than 1 acre.

Morristown Solar II, LLC will participate in the NYSERDA NY-Sun Initiative to provide clean energy to local businesses and residences. The community solar credits generated by the project will be sold to local residents and small businesses at a discount to retail electricity prices, providing a long-term economic impact to subscribers.

Source Renewables, the parent company of Morristown Solar II, LLC, is developing multiple community solar projects across upstate New York. Currently, Source has proposed community solar projects in Oswego County, Chautauqua County, Onondaga County, Oneida County and Cortland County in development.

In addition to revenue provided to local landowners and taxing jurisdictions, there are a number of other benefits provided by community solar project development. Solar projects generate clean renewable energy that feeds the local utility grid. Through monetary crediting, that energy can be shared with customers in the same utility service area, providing direct savings on local utility bills in the form of dollar-value credits.

Projects such as this one support the goals of the New York State Climate Leadership and Community Protection Act (as summarized by the New York State Tug Hill Commission document, “*Planning for Offsite Solar Energy Projects*, February 2020):

The purpose of the Climate Act is to adopt measures to put New York on a path to reduce statewide greenhouse gas emissions by 85% percent by 2050 and net zero emissions in all sectors of the economy, through the development of a scoping plan. The goals of the Climate Act are (1) greenhouse gas emissions reduction, (2) renewable energy development, (3) improved energy efficiency, (4) a clean energy economy, and (5) resilient and distributed energy systems.¹

Specifically related to solar energy, the law states that New York will:

- Increase the Renewable Energy Standard to 70% by 2030
- Double the target for distributed solar power to 6 gigawatts by 2025
- Install 3 gigawatts of statewide energy storage capacity by 2030

The above targets do not include utility-scale solar, which is estimated to increase by 5 gigawatts by 2025. For reference, one megawatt (MW) of energy can power approximately 150 homes, conservatively. To produce 1 MW of solar energy, approximately five to seven acres of solar panels are needed. Theoretically, a 4 MW project (i.e. 24 acres of solar panels) could power all the homes in the village of Adams. To meet Climate Act goals, it is estimated that between 34,000 to 68,000 acres of land is needed for solar panels in New York State, or at least 1.7 square miles of solar panels per county if equally distributed among the 62 counties.

Further background information on community-scale solar projects from the same report includes:

For purposes of this paper, community-scale solar includes projects that take advantage of NYSERDA’s NY-Sun community solar incentives. To qualify, individual projects must be 5 MW or less but may be grouped together in a series of ≤ 5 MW projects. These projects sell energy to local subscribers, and provide taxing jurisdictions with payments in lieu of taxes (PILOT) agreements in the \$2,000-\$5,500 per MW range. The electricity generated from community solar projects does not count toward meeting the goals of the state’s Renewable Energy Standard (RES). A 2 MW community solar project would typically include approximately 10 acres of panels. Local examples of community solar projects would be the proposed Nexamp projects in the towns of

Adams (4.6 MW) and LeRay (4.9 MW), where 600-700 National Grid subscribers would be able to subscribe to each array.

Evidence for regional alignment of projects such as the proposed Morristown Solar II facility is found within the *North Country 2019 Progress Report* created by the North Country Regional Economic Development Council, which specifically highlights clean energy development in the Implementation of Key Regional Priorities section of the Report:

CLEAN ENERGY

Strategy:

Increase renewable energy generation, distribution, storage capacity and clean energy jobs, and reduce community and business costs through energy efficiency improvements.

Forty-four percent of New York State's existing renewable generation capacity is coming from the North Country, supporting about 2,000 direct and indirect jobs. The North Country continues to support the development of various forms of renewable energy to support jobs, advance the clean energy goals of New York, and to reduce energy costs for the region's businesses and residents.

COST/BENEFIT ANALYSIS

(As required by Section 869-A3 of New York General Municipal Law)

Project Applicant: Project Applicant: **Morristown Solar II, LLC, Project #4001-20-03**

Estimated COST of Agency Assistance

1. Sales and Use Tax Exemption

a. Amount of Project Cost Subject to Tax:		\$ 729,750
	Sales and Use Tax Rate	8%
b. Estimated Exemption:		\$ 58,380

2. Mortgage Recording Tax Exemption

a. Projected Amount of Mortgage:		\$ 0
	Mortgage Recording Tax Rate	0.75%
b. Estimated Exemption:		\$ 0

3. Real Property Tax Exemption

	Property Location	Town of Morristown
a. Investment in Real Property		\$8,861,250
b. Pre-project Assessment		34,900
c. Projected Post-project Assessment		0*
d. Equalization Rate (for reference only)		98%
e. Increase in Assessed Value of Property		0*
f. Total Applicable Tax Rates per \$1,000		28.15
g. Estimated Taxes over PILOT Period	(RPTL 581-a)	
h. PILOT Payments over PILOT Period		516,319
i. Net Exemption Amount	(g – h)	\$0*

4. Interest Exemption [Bond Only]

a. Total Estimated Interest Expense	(Assuming Taxable interest)	_____
b. Total Estimated Interest Expense	(Assuming Tax Exempt Interest)	_____
c. Interest Exemption	(a – b)	\$N/A

TOTAL ESTIMATED EXEMPTIONS

\$ 58,380

The property has a current assessed value of approximately \$34,900. The base value of the property would not be impacted by the PILOT, nor is it anticipated that the projected Post-project Assessment would change significantly.

*The project would be subject to NYS RPTL 487 without the proposed IDA PILOT, which would result in no added value to the assessment for 15 years. Proposed PILOT Payments of \$4,250 per MW would result in payments of \$21,250 to the Town, School, and County in year 1 with 2% escalator for a total 20-year PILOT payments of \$516,319.

Due to the unique nature of the proposed project, the proposed PILOT represents a deviation from the standard IDA PILOT as outlined in the St. Lawrence County Industrial Development Agency's Uniform Tax Exemption Policy. Per that Policy, the IDA has sought, and received the consent of the local affected taxing jurisdictions for the proposed PILOT.

COST/BENEFIT ANALYSIS

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Estimated **BENEFIT** of Agency Assistance

EMPLOYMENT COMPARISON:

Do not include construction jobs relating to the Project.

- Full Time: Permanent employee who works 30 or more hours each week, and does so on a regularly-scheduled basis.
- Part Time Temporary/Seasonal: Any employee who works fewer than 30 hours each week, and does so on an occasional, temporary or as-needed basis.

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Jobs	Current Jobs	Average Annual Wage	Average Annual Benefit Cost	Number of Jobs Created Year 1	Number of Jobs Created Year 2	Number of Jobs Created Year 3	Total New Jobs Created
Full Time							
Management		\$	\$				
Professional		\$	\$				
Administrative		\$	\$				
Production		\$	\$				
Independent Contractor		\$	\$				
Other:		\$	\$				
Total		\$	\$				
Part Time							
Management		\$	\$				
Professional		\$	\$				
Administrative		\$	\$				
Production		\$	\$				
Independent Contractor		\$60/hr	\$	3			3
Other:		\$	\$				
Total		\$	\$				

ESTIMATED OTHER BENEFITS:

<input type="checkbox"/>	Sales Tax Revenue (New Product)	This project will result in the manufacturing or selling of a new product, and the estimated amount of annual sales taxes that will be generated on retail sales of the new project is \$.
<input type="checkbox"/>	Sales Tax Revenue (Existing Product)	This project will result in increased production or sales of an existing product, and the estimated amount of annual sales tax that will be generated on the retail sales of the increased production is \$.
<input checked="" type="checkbox"/>	Real Property Taxes	The amount of annual real property taxes that will be payable on the project at the end of the PILOT Agreement will be determined based on the assessed value assigned to the project at that time. The base value of the underlying property is expected to have no significant change in value.
<input checked="" type="checkbox"/>	Construction Jobs	This project will help generate approximately 50 construction jobs.
<input checked="" type="checkbox"/>	Community and Regional Benefit	<ul style="list-style-type: none"> • <i>Additional revenue to taxing jurisdictions</i> • <i>Renewable energy development in support of NYS CLCPA</i> • <i>Community Solar Project offering local electric bill savings</i> • <i>Battery storage capacity supporting local electric grid</i> • <i>Aligns with Implementation of Key Regional Priority items highlighted in NCREDC 2019 Progress Report</i>