



IDA Clean Energy Projects

May 11, 2022

OR-2021-01

Table of Contents

Topics	Page Number
Executive Summary	ES
Introduction and Background	1
Purpose	2
Scope and Methodology	2
Review Results	4
Project Purpose	4
Project Benefits	4
Project Financial Assistance	6
Section 487 of Real Property Tax Law	10
Project Applications Not Including Exemption Amounts	11
Project Agreements Not Executed or Completed	11
Project Documents Not Posted on IDA Websites	12
Conclusions and Recommendations	13
Appendix A – Project Summaries	A-1

Executive Summary

Purpose and Authority:

The Authorities Budget Office (ABO) is authorized by Title 2 of Public Authorities Law to review and analyze the operations, practices, and reports of public authorities. We reviewed 11 clean energy projects (10 solar and one wind) reported as active in the Public Authorities Reporting Information System (PARIS) in 2020. The 11 projects were approved by 11 different Industrial Development Agencies (IDAs) between 2016 and 2020. Our review was performed from August to November 2021 and was conducted in accordance with our statutory authority and compliance review protocols. The purpose of this review was to identify the types and amounts of financial assistance provided by IDAs to the clean energy projects, and any respective benefits provided by the projects. In addition, the review determined if project documents were publicly available on IDA websites.

Background Information:

The State of New York's clean energy standard goal is that 70 percent of its electricity will come from renewable energy sources, such as solar and wind, by 2030. To accomplish this goal, the State has created real property tax incentives to encourage the development of solar and wind energy systems. Section 487 of Real Property Tax Law (RPTL 487) provides real property tax exemptions on the increase in property value due to the inclusion of solar and wind energy systems for a maximum of 15 years. Local taxing jurisdictions (counties, cities, towns, villages, or school districts) can negotiate payments in lieu of taxes (PILOTs) for the 15-year period or they can opt out of the property tax exemptions for solar and wind energy systems.

General Municipal Law (GML) Article 18-A authorizes IDAs to encourage economic growth and promote job opportunities and economic welfare for the people of the State of New York. IDAs can offer financial assistance to clean energy projects in the form of exemption from sales and use tax (sales tax), mortgage recording tax, and real property tax. IDAs also negotiate PILOTs to recapture lost tax revenues from the exemptions provided for the taxing jurisdictions. For clean energy projects IDAs are not held to the 15-year time period as RPTL 487 allows.

IDAs are required to annually report financial assistance and other information for all active projects in PARIS. For the 2020

reporting period, 26 IDAs reported 98 active projects in PARIS that involved the installation of solar and wind energy systems with project amounts totaling over \$3 billion. The 98 projects were reported in PARIS as receiving total tax exemptions of \$29,489,317 in 2020, including: \$27,289,828 in real property tax exemptions; \$2,149,996 in sales tax exemptions; and \$49,493 in mortgage recording tax exemptions. Of the 98 projects, 49 of the projects reportedly made PILOT payments in 2020 that totaled \$7,158,252. Further, 30 projects are expected to create 223.5 full-time equivalent (FTEs) jobs. The remaining 68 projects were reported as not expecting to create any FTEs.

Results:

Of the 98 active projects reported that involved the installation of solar and wind energy systems, we reviewed 11 active projects (10 solar and 1 wind) to identify the financial assistance being provided to and the benefits received from these types of projects. The 10 solar projects reviewed were to build solar farms on vacant or unused land ranging in size from 9.2 to 110 acres, with project costs ranging from \$3 million to \$27 million. The anticipated electricity generated from these solar facilities ranges between 1.625 and 16 megawatts (MW) in capacity annually. The wind project reviewed was to build a wind farm on approximately 6,100 acres of leased land with project costs of \$156 million. The project was anticipated to generate 77.7 MW in capacity annually.

Our review found some IDAs are not ensuring project applications include FTEs for projects requesting financial assistance. Therefore, we were unable to identify the total number of FTEs expected to be created for permanent and construction jobs for eight projects. Based on the limited job information included in the project applications, we found the employment impact for solar projects is mostly construction jobs since few permanent jobs are needed once solar farms are constructed. Seven of the 10 solar projects did not state creating new permanent jobs in their project applications.

Despite minimal job creation, these projects indicate providing other long-lasting benefits, such as achieving the State's renewable energy goal and providing residents and local businesses with discounts on electric bills. In addition, the clean energy generated from these projects reduces carbon dioxide pollution while providing an alternative renewable source for electricity to communities.

We also found IDAs are not ensuring project applications and project agreements identify the type and amount of financial assistance for each tax exemption being requested and provided, as required by GML 859-a. Therefore, we were unable to determine the total amount of financial assistance provided to 10 of the 11 projects. Not ensuring project applications and project agreements include all of the required information indicates a lack of board oversight and a lack of transparency of the project to the public.

IDAs are not statutorily bound to a 15-year term for PILOTs, nor are they required to adhere to the RPTL 487 opt-outs for solar and wind projects. As such, we found IDAs are providing real property tax exemptions and negotiating PILOTs for solar and wind projects for terms that exceed 15 years and in taxing jurisdictions that have opted out of RPTL 487. Eight of the projects reviewed were provided real property tax exemption and PILOT terms between 20 and 30 years. In addition, five projects were located in municipalities that had taxing jurisdictions that opted out of RPTL 487.

In July 2020, the ABO issued a report that included recommendations for all IDAs to improve the transparency of project documents. We found none of the 11 IDAs had all the required project documents posted to their websites, and only one IDA had its project agreement posted on its website. The continued lack of adequate disclosure and transparency of IDA project documents is indicative of inadequate board oversight and the potential failure of board members to uphold their fiduciary duty.

This report includes recommendations to all IDAs to improve board oversight and ensure compliance with accountability and transparency requirements.

Introduction and Background

Industrial Development Agencies (IDAs) are authorized by Article 18-A of General Municipal Law (GML) to promote and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping, and furnishing of industrial, manufacturing, warehousing and commercial facilities, and certain other types of projects. The purpose of IDAs is to minimize unemployment and economic deterioration. There are currently 108 IDAs.

IDAs offer financial assistance to encourage economic growth and expansion in order to promote job opportunities and the general welfare of the residents of the State of New York. Financial assistance may consist of the issuance of bonds to finance the costs of a project as well as exemptions from sales and use tax (sales tax), mortgage recording tax and real property tax. Sales tax exemptions are provided for the purchase of taxable equipment or construction materials. Mortgage recording tax exemptions are generally a one-time exemption provided to a business obtaining a mortgage to finance or refinance project costs. Real property tax exemptions are provided over a period of time and vary depending on each IDA's Uniform Tax Exemption Policy (UTEP). A portion of the real property tax exemption is often recaptured in the form of payments in lieu of taxes (PILOTs) made by the assisted business to the impacted taxing jurisdictions.

IDAs are required to annually report information on all projects approved for financial assistance through the Public Authorities Reporting Information System (PARIS). PARIS requires detailed information on all IDA projects active during the reporting period. This includes information on permanent jobs and construction jobs, the type and value of all tax exemptions received annually by the project, and the annual PILOT payments due from and actually paid by the project. As of August 26, 2021, 95 of the 108 IDAs reported a total of 3,289 active projects for the 2020 reporting period. The total project costs reported for these projects were \$67.3 billion.

IDAs are also required under ABO Regulation 19 NYCRR 250.1 to post the project application, cost-benefit analysis, approving resolution, and completed uniform project agreement, including PILOT terms, for all active projects on their websites for public access.

Clean Energy Projects

New York State has established a goal of generating 70 percent of the State's electricity from renewable sources by 2030¹. To accomplish this goal, New York State has real property tax incentives to encourage the development of solar and wind farms. Section 487 of Real Property Tax Law (RPTL 487) provides real property tax exemptions on the increase in property value due to the installation of solar and wind energy systems for a maximum of 15 years. In addition, the affected taxing jurisdictions (counties, cities, towns, villages, school districts) may require a

¹ Section 66-p (2)(a) of Public Service Law

PILOT agreement for the 15 years in an amount not to exceed the amounts which would have been payable without the exemption to offset the loss of tax revenues. Local taxing jurisdictions also have the option of adopting a local law or resolution to opt out of providing real property tax exemptions for renewable energy systems. IDAs also have the ability to provide real property tax exemptions and negotiate PILOTs for solar and wind projects. However, IDAs are not bound by the 15-year term.

For the 2020 reporting period, 28 IDAs reported 98 projects in PARIS that involved the creation of solar or wind energy with project amounts totaling \$3 billion. The 98 projects were reported as receiving total tax exemptions of \$29,489,317, including: \$27,289,828 (92.54 percent) in real property tax exemptions; \$2,149,996 (7.29 percent) in sales tax exemptions; and \$49,493 (0.17 percent) in mortgage recording tax exemptions. Of the 98 projects, 49 projects made PILOT payments in 2020 totaling \$7,158,252 and the other 49 projects were reported as not making any PILOT payments for that year. In addition, 30 of the 98 projects were expected to create 223.5 full-time equivalent (FTEs) jobs. The remaining 68 projects were reported as not expecting to create any permanent jobs but reported 312.5 FTEs for construction jobs in 2020.

Purpose

The ABO is authorized by Title 2 of the Public Authorities Law to review and analyze the operations, practices, and reports of public authorities, to assess compliance with various provisions of Public Authorities Law and other relevant State statutes, and to make recommendations concerning the reformation and structure of public authorities. The purpose of this review was to identify the type and amount of financial assistance provided by IDAs to clean energy projects throughout the state, and the respective project benefits. The review also assessed the transparency of IDAs in making project documents available to the public on IDA websites.

Scope and Methodology

Our review was conducted between August and November 2021 and focused on solar and wind energy projects reported as active in PARIS for the 2020 reporting period. Of the 3,289 active projects reported in the 2020 reporting period, we identified all projects that included clean energy, wind, or solar in the project name or purpose. We then reviewed the projects individually to identify wind and solar energy related projects. We identified 98 projects reported by 28 different IDAs with the purpose of creating solar or wind energy. Of the 98 solar and wind energy projects reported, we selected 11 projects from 11 different IDAs, of which 10 were solar energy projects and one was a wind energy project.

The names of the 11 sample projects and their respective IDA are listed in the table below, in addition to whether the project was for solar or wind. Each of the 11 IDAs selected are county IDAs and for the purpose of this report they are included throughout this report as their county name only. In addition, project

names are included throughout this report based on the project name reported by each IDA in PARIS for 2020.

County IDA	Project	Solar or Wind
Cattaraugus	Homeridae Inc.	Solar
Chenango	Norwich-Chenango Solar, LLC.	Solar
Clinton	Delaware River Solar - Mooers IV	Solar
Cortland	Lapeer Cortland Solar	Solar
Herkimer	Little Falls Solar, LLC	Solar
Lewis	US Light Denmark Solar	Solar
Oswego	Howland Solar	Solar
Steuben	Bright Hill Solar, LLC	Solar
Tioga	Spencer-Tioga Solar LLC	Solar
Wayne	Leenhouts Solar Farm 1, LLC.	Solar
Franklin	Jericho Rise Wind Farm LLC	Wind

We reviewed the website for each IDA to obtain the project application, cost-benefit analysis, approving resolution, uniform project agreement, and PILOT agreement for each project. If those documents were not posted on the IDA's website, we contacted the IDA to obtain the project documents. We also contacted IDA officials to discuss the details of individual projects as needed. A project summary for each of the 11 projects was provided to each IDA for review of accuracy. We received a response from each IDA and incorporated their comments into this report where appropriate.

Review Results

Project Purpose

We found the purpose of the 10 solar projects reviewed is to build solar farms on vacant or unused land ranging in size from 9.2 and 110 acres. The anticipated electricity generated from these solar facilities ranges between 1.625 and 16 megawatts (MW) in capacity annually. The capacity refers to the maximum output of electricity that a generator can produce under ideal conditions.²

Solar projects require the project owners to buy and install photovoltaic modules, inverters, transformers, ground racking support systems, meteorological monitoring, metering equipment, and all ancillary wires, poles, and fences to support the photovoltaic facility. The estimated total project costs for these projects range from \$3.2 million to \$27.2 million.

Solar Project Details and Project Costs				
County IDA	Project	Capacity	Acreage	Project Cost
Cortland	Lapeer Cortland Solar	15 MW	86	\$27,185,245
Tioga	Spencer-Tioga Solar LLC	16 MW	110	\$26,945,080
Chenango	Norwich-Chenango Solar, LLC.	12 MW	75	\$21,948,534
Lewis	US Light Denmark Solar	5 MW	28	\$7,270,000
Steuben	Bright Hill Solar, LLC	5 MW	24.9	\$6,438,930
Cattaraugus	Homeridae Inc.	3.2 MW	17	\$6,000,000
Clinton	Delaware River Solar - Mooers IV	2 MW	16.399*	\$4,121,707
Herkimer	Little Falls Solar, LLC	2.867 MW	15.45*	\$4,068,361
Oswego	Howland Solar	2 MW	20	\$3,176,400
Wayne	Leenhouts Solar Farm 1, LLC.	1.625 MW	8.3	\$3,157,750

*All details in the chart are based on the project application with the exception of Herkimer IDA and Clinton IDA projects which did not clearly identify the acreage in the application but included the final acreage in the project agreement.

The purpose of the wind project is to build a wind-producing energy facility on approximately 6,100 acres of leased land from 72 participating landowners. The project is expected to generate up to 77.7 MW of electrical capacity annually. The project includes the installation of 37 wind turbines, roads, collections lines, and a substation used to collect the wind energy produced. The total project cost is \$156 million.

Project Benefits

Applicants looking to obtain IDA financial assistance are required to complete a standard application which is to include the projected number of full-time equivalent jobs (FTEs) that would be retained or created if the financial assistance is granted and the projected timeframe for the creation of new jobs.³ As part of the

² Office of Energy Efficiency & Renewable Energy

³ General Municipal Law Section 859-a (4) (7)

IDA approval process, IDA boards review and assess the benefits a project will offer the community. A major component of the benefits is the new jobs a project will bring during the construction phase and how many new permanent jobs the project will create after construction is complete.

We found IDAs are not consistently ensuring project applications include FTEs for projects requesting financial assistance. Only three project applications state the number of FTEs to be created for construction and permanent jobs, if any. The other eight projects do not include FTEs but instead state a general number of jobs to be created in their project application. Without using FTEs, it is unclear what the jobs listed in applications represent.

Project documents indicate that construction jobs are a major benefit of clean energy projects. However, once clean energy facilities are constructed there are few permanent jobs needed to maintain the facilities. All 10 solar projects stated creating construction jobs in their applications. Seven solar projects did not state creating any new permanent jobs. For one project the jobs to be created in the application is unclear. The other two solar projects (Oswego and Wayne) state creating two to three part-time jobs and less than one FTE, respectively. The wind project states creating 200-300 construction jobs and 10 permanent jobs for long-term operations and maintenance of the facility.

Job Creation Information from Applications			
FTEs in Application			
County IDA	Project	Construction Jobs to be Created	Permanent Jobs to be Created
Wayne	Leenhouts Solar Farm 1, LLC.	4 FTEs	Less than 1 FTE
Herkimer	Little Falls Solar, LLC	45 FTEs	None
Steuben	Bright Hill Solar, LLC	50 FTEs	None
Jobs in Application			
County IDA	Project	Construction Jobs to be Created	Permanent Jobs to be Created
Oswego	Howland Solar	23 jobs	2-3 part-time jobs
Clinton	Delaware River Solar - Mooers IV	24-34 jobs	None
Lewis	US Light Denmark Solar	35 jobs	Jobs unclear
Cattaraugus	Homeridae Inc.	40 jobs	None
Cortland	Lapeer Cortland Solar	65 jobs	None
Chenango	Norwich-Chenango Solar, LLC.	80 jobs	None
Tioga	Spencer-Tioga Solar LLC	80 jobs	None
Franklin	Jericho Rise Wind Farm LLC	200-300 jobs	10 jobs

Despite a minimal creation of jobs, we found solar projects indicate offering other benefits to the communities and the school districts they serve. For example, project documents indicate solar projects reduce carbon dioxide pollution and aid in the encouragement of renewable energy to achieve New York State's 2030 clean energy goal. Another benefit indicated is reduced operating costs for local

governments by partnering with solar projects. For example, the Homeridae Inc. solar project, approved by the Cattaraugus IDA, is to provide the City of Olean with a decrease in operating costs from the renewable electricity generated. According to the application, the cost savings to the City of Olean is expected to be \$125,000 annually. The land used for this project was also a designated NYS Brownfield Cleanup Program property which encourages private sector cleanup and redevelopment of sites as an alternate to greenfield development. Brownfields are parcels of real property where contamination is present at levels that exceed the NYS Department of Environmental Conservation's standards.

In addition, residents and local businesses benefit from discounts on electric bills through energy credits they receive based on the electricity generated by the solar and wind farms. For example, the electricity generated by the Delaware River Solar - Mooers IV project, approved by the Clinton IDA, is to be sold to local residents and businesses in the Town of Mooers in a Community Solar Program while providing a cost-effective renewable source of electricity.

Solar projects also make PILOT payments to the local taxing jurisdictions (counties, towns, villages, school districts) for an agreed upon number of years to offset the loss of revenue from the real property tax exemptions provided.

Project Financial Assistance

IDA financial assistance includes exemptions from sales and use tax, mortgage recording tax, and real property tax. Our objective was to identify the types and amounts of financial assistance provided by the 11 IDAs to the clean energy projects. Section 859-a (6) of General Municipal Law (GML) requires IDAs to develop a uniform agency project agreement that outlines the terms and conditions under which financial assistance will be provided, the amount and type of financial assistance and the date and estimated amount of payments in lieu of taxes (PILOTs), if applicable. Further, it requires a complete project agreement to be executed before any financial assistance can be provided to any project approved for over \$100,000.

While we were able to identify the type of financial assistance provided to most projects, we were unable to determine the total amount of financial assistance provided to 10 of the 11 projects. Only Wayne IDA included the value of the tax exemptions for each type of exemption provided in its project agreement. Franklin IDA and Lewis IDA did not execute project agreements. The remaining eight IDAs did not identify the estimated value of each type of tax exemption provided in the project agreement.

We also found some IDAs are including the real property tax abatement (real property tax exemptions less PILOTs) in their project agreements, rather than identifying the total real property tax exemptions to be provided to a project. Providing an abatement amount is not consistent with the requirements of Section 859-a of GML, and it reduces the transparency of the project agreement.

The table below indicates whether the financial assistance amounts provided for sale tax exemptions (STE), mortgage recording tax exemptions (MRTE), and real property tax exemptions (RPTE) are included in each project agreement.

Financial Assistance Amounts Included in Project Agreements by Exemption Type					
County IDA	Project	STE	MRTE	RPTE	All Included
Cattaraugus	Homeridae Inc.	N/A	N/A	No*	No
Chenango	Norwich-Chenango Solar, LLC.	Yes	Yes	No	No
Clinton	Delaware River Solar - Mooers IV	Yes	Yes	No*	No
Cortland	Lapeer Cortland Solar	Yes	Yes	No*	No
Franklin	Jericho Rise Wind Farm LLC	No project agreement			No
Herkimer	Little Falls Solar, LLC	Yes	No	No	No
Lewis	US Light Denmark Solar	No project agreement			No
Oswego	Howland Solar	No	N/A	No*	No
Steuben	Bright Hill Solar, LLC	Yes	Yes	No	No
Tioga	Spencer-Tioga Solar LLC	Yes	Yes	No*	No
Wayne	Leenhouts Solar Farm 1, LLC.	Yes	N/A	Yes	Yes

N/A indicates exemptions were not approved to be provided in the project agreement

*Real Property Tax Abatement amount included instead of RPTE

Sales Tax Exemptions

Sales tax exemptions are provided on the purchase of equipment and construction materials. Of the nine project agreements reviewed, we found eight projects were provided sales tax exemptions, but only seven projects included the amount of sales tax exemptions to be provided in the agreement. The sales tax exemption amounts included, ranged from \$78,000 to \$810,000.

Mortgage Recording Tax Exemptions

Mortgage recording tax exemptions are generally a one-time exemption provided to a business obtaining a mortgage to finance or refinance project costs. Of the nine project agreements reviewed, we found six projects were provided mortgage recording tax exemptions, but only five projects included the amount of mortgage recording tax exemption to be provided in the agreement. The mortgage recording tax exemption amounts included, ranged from \$14,877 to \$247,500.

Real Property Tax Exemptions

Real property tax exemptions are provided over a period of time concurrently with respective PILOT payments and vary depending on the IDA and the project. Of the nine project agreements reviewed, we found all nine projects were provided real property tax exemptions. Of those, only one included the amount of real property tax exemptions to be provided in the agreement. Three projects (Chenango, Herkimer, Steuben) did not include the estimated value of the real property tax exemptions to be provided. The remaining five projects (Cattaraugus, Clinton, Cortland, Oswego, Tioga) also did not include the real property tax exemption

amount. Rather, these project agreements included the amount of real property tax abatement, which is the total estimated real property tax exemptions less total estimated PILOTs. The real property tax abatements included in the five projects agreements, ranged from \$23,000 to \$1,756,815.

Providing the real property tax abatement amount is not consistent with the requirements of Section 859-a of GML which requires IDAs to provide the value of the real property tax exemptions. In response to this review, some IDAs indicated that it was difficult to determine the assessed value of the solar project to determine the value of the real property tax exemptions. Starting in 2022, Section 575-b of Real Property Tax Law requires solar and wind projects to be assessed using an assessment model established by the Department of Taxation and Finance (Tax Department). This assessment model was made available by the Tax Department in October 2021 for assessors and others in need of assessment information to use in valuing solar and wind projects. This assessment model should reduce the limitations indicated by IDAs in identifying the assessed value and determining the real property tax exemptions to be provided to solar and wind projects moving forward.

Payments in Lieu of Taxes (PILOTs)

A portion of the real property tax exemption provided to a project is often recaptured in the form of PILOTs made by the assisted business to the impacted taxing jurisdictions. Of the 10 solar projects, eight projects included the estimated PILOT amounts in their respective PILOT agreement, which ranged between \$134,889 and \$3,634,900. The other two IDAs (Cattaraugus and Wayne) did not include the total PILOT payments in their PILOT agreements but provided a formula to calculate the payments. Further, the PILOT terms were also included in each of the PILOT agreements and ranged between 15 and 30 years.

We reviewed the PILOT payment terms for each of the 10 solar projects. We found six projects' PILOT payments are calculated using a fixed amount per megawatt (MW), ranging between \$3,000 and \$5,500 per MW annually. For example, the PILOT terms for the Bright Hill Solar, LLC project, approved by Steuben IDA, are \$5,500 per MW annually. The project has a capacity of 5 MW. Therefore, its annual PILOT payments would be \$27,500. These payments are also to increase two percent annually.

The other four projects (Clinton, Herkimer, Lewis, Tioga) have PILOT terms based on a fixed fee schedule. For example, the Little Falls Solar, LLC PILOT, approved by Herkimer IDA, indicates the fixed amount (starting at \$7,800) is based on the increase in the assessed value of the improvements to the land for the solar project. Delaware River Solar - Mooers IV's PILOT, approved by Clinton IDA, is based on a flat \$12,000 payment per year over a 20-year PILOT term.

Six of the projects also include terms for an annual increase in payments of two percent while one project has an annual increase of five percent or the rate of the Consumer Price Index (CPI) for the prior year, whichever is less. One project has an increase of 11.99 percent every sixth year of its PILOT agreement. These

increases are indicated to account for inflation. The other two projects do not include annual increases.

PILOT Agreement Information for Solar Projects						
County IDA	Project	Capacity	PILOT Term (Years)	Payment Type	Payment Terms	Total PILOT Amounts
Steuben	Bright Hill Solar, LLC	5 MW	20	Per MW	\$5,500 per MW and increasing 2% annually	\$688,178
Wayne	Leenhouts Solar Farm 1, LLC.	1.625 MW	15	Per MW	\$5,500 per MW and increasing 2% annually	Total Not Included
Cattaraugus	Homeridae Inc.	3.2 MW	15	Per MW	\$5,000 per MW and increasing annually, the lesser of 5% inflation or rate of the CPI*	Total Not Included
Chenango	Norwich-Chenango Solar, LLC.	12 MW	30	Per MW	\$4,500 per MW and increasing 11.99% every sixth year	\$2,190,600**
Cortland	Lapeer Cortland Solar	15 MW	30	Per MW	\$3,000 per MW	\$1,350,000
Oswego	Howland Solar	2 MW	20	Per MW	\$3,000 per MW and increasing 2% annually	\$154,700
Clinton	Delaware River Solar - Mooers IV	2 MW	20	Fixed Schedule	Fixed payment schedule of \$12,000 annually	\$240,000
Tioga	Spencer-Tioga Solar LLC	16 MW	30	Fixed Schedule	Fixed payment schedule starting at \$89,600 and increasing 2% annually	\$3,634,900
Lewis	US Light Denmark Solar	5 MW	25	Fixed Schedule	Fixed payment schedule starting at \$25,000 and increasing 2% annually	\$800,757
Herkimer	Little Falls Solar, LLC	2.867 MW	15	Fixed Schedule	Fixed payment schedule starting at \$7,800 and increasing 2% annually	\$134,889

*Bureau of Labor Statistics Consumer Price Index (CPI) for the Northeast Region for the prior year.

**PILOT Agreement amount differs from the Project Agreement PILOT amount; however, the difference was only \$78.

The Franklin IDA wind project has a 30-year PILOT term with a \$4,000 PILOT payment per MW which increases after year six by two percent annually or according to CPI for the prior year, whichever is less. However, the total estimated PILOT payments were not included in the PILOT agreement.

Section 487 of Real Property Tax Law

Section 487 of Real Property Tax Law (RPTL 487) provides real property tax exemptions on the increase in property value due to the installation of solar and wind energy systems for a maximum of 15 years. In addition, under RPTL 487, the affected taxing jurisdictions (counties, cities, towns, villages, or school districts) may require the project owner to enter into a PILOT agreement for up to 15 years to offset the loss of tax revenues. The PILOT amount cannot exceed the amounts which would have been payable without the exemption. Taxing jurisdictions also have the option of adopting a local law or resolution to opt out of the property tax exemptions for renewable energy systems.

IDAs are not statutorily bound to a 15-year term for PILOTs, nor are they required to adhere to the RPTL 487 opt-outs for solar and wind projects. As such, we found IDAs are providing real property tax exemptions and negotiating PILOTs for solar and wind projects for terms that exceed 15 years and in taxing jurisdictions that have opted out of RPTL 487. Eight of the 11 projects reviewed were provided real property tax exemptions and PILOTs for 20 to 30 years. In addition, five of those projects (Clinton, Franklin, Lewis, Steuben, Tioga) were located in municipalities where taxing jurisdictions opted out of RPTL 487 by passing a local law or resolution opposing real property tax exemptions for solar and wind projects. The other three projects (Chenango, Cortland, Oswego) were located in municipalities that did not opt out of RPTL 487.

The three remaining projects were approved for real property tax exemptions and PILOTs for 15 years. Two of those projects (Cattaraugus and Herkimer) were located in municipalities with at least one taxing jurisdiction that opted out of RPTL 487. The other project (Wayne) was located in a municipality that did not have any taxing jurisdictions that opted out of RPTL 487.

PILOT Terms and Identification of RPTL 487 Opt Outs			
County IDA	Project	PILOT Term (Years)	Located in Taxing Jurisdiction(s) Opting out of RPTL 487
Chenango	Norwich-Chenango Solar, LLC.	30	No
Cortland	Lapeer Cortland Solar	30	No
Franklin	Jericho Rise Wind Farm LLC	30	Yes
Tioga	Spencer-Tioga Solar LLC	30	Yes
Lewis	US Light Denmark Solar	25	Yes
Clinton	Delaware River Solar - Mooers IV	20	Yes
Oswego	Howland Solar	20	No
Steuben	Bright Hill Solar, LLC	20	Yes
Cattaraugus	Homeridae Inc.	15	Yes
Herkimer	Little Falls Solar, LLC	15	Yes
Wayne	Leenhouts Solar Farm 1, LLC.	15	No

Project Applications Not Including Exemption Amounts

Section 859-a (4) (c) of GML requires IDAs to develop a standard application that includes the amount and type of financial assistance being requested, including the estimated value of each type of tax exemption being sought by the applicant. We reviewed the applications for each of the 11 projects to identify the estimated value of each type of tax exemption requested. We found only three project applications (Clinton, Cortland, Wayne) contained the estimated value for each type of tax exemption being requested. The other eight project applications (73 percent) did not include the estimated values for each type of tax exemptions being sought. As seen in the chart below, seven projects did not include the estimated value of real property tax exemptions being requested; two projects did not include the estimated value of the sales tax exemptions being requested; and one project did not include the estimated value of the mortgage recording tax exemption being requested. The lack of disclosure in the project application does not allow for full transparency of the project to the public or to the IDA board for its approval.

Estimated Value of Exemptions Requested Included in Application					
County IDA	Project	STE	MRTE	RPTE	All Amounts Included
Cattaraugus	Homeridae Inc.	N/A	N/A	No	No
Chenango	Norwich-Chenango Solar, LLC.	Yes	Yes	No	No
Clinton	Delaware River Solar - Mooers IV	Yes	Yes	Yes	Yes
Cortland	Lapeer Cortland Solar	Yes	Yes	Yes	Yes
Franklin	Jericho Rise Wind Farm LLC	Yes	No	Yes	No
Herkimer	Little Falls Solar, LLC	Yes	Yes	No	No
Lewis	US Light Denmark Solar	No	N/A	No	No
Oswego	Howland Solar	Yes	N/A	No	No
Steuben	Bright Hill Solar, LLC	Yes	Yes	No	No
Tioga	Spencer-Tioga Solar LLC	No*	N/A*	No*	No
Wayne	Leenhouts Solar Farm 1, LLC.	Yes	N/A	Yes	Yes

N/A indicates exemptions were not requested in the application by the applicant

*Tioga IDA's application did not include a financial assistance section to indicate the amount of financial assistance being requested; however, the application makes indication to the project requesting sales tax and real property tax exemptions.

Project Agreements Not Executed or Completed

Section 859-a (6) of GML requires a complete project agreement to be executed before any financial assistance over \$100,000 can be provided to an approved project. However, as indicated in this review, both Franklin IDA and Lewis IDA did not execute project agreements for their respective projects. Lewis IDA acknowledged its error and has stated that it has changed its process to better comply with the requirements of GML.

We also found 10 of the 11 IDA projects (91 percent) reviewed did not include the amounts for each type of exemption provided for financial assistance. This level of non-compliance brings question to the adequacy of board oversight of IDAs. Board

members have a fiduciary obligation to perform their duties in good faith and with proper diligence and care, consistent with the IDA’s statutory duties and the laws of New York State.

Project Documents Not Posted on IDA Websites

ABO Regulation 19 NYCRR 250.1 requires that IDAs post to their website the project application, cost-benefit analysis, project approving resolution, and uniform project agreement, including any applicable PILOT terms, for all projects approved by the board. We reviewed the websites of the 11 IDAs to determine if the required project documents from our sample were posted to the respective websites. We found none of the IDAs had all the required project documents posted to their websites. Two IDAs had no project documents posted to their website (Cattaraugus and Oswego). In addition, we were unable to locate project documents for the Lewis IDA US Light Denmark Solar project. In response to the review, Lewis IDA stated the project documents are posted under the developer’s name, Solitude Solar. However, we only found the application and resolution posted. The cost-benefit analysis, approving resolution, and uniform project agreement for this project were not posted on Lewis IDA’s website. The remaining nine IDAs had some project documents posted. Further, of the 11 projects reviewed, only one (Cortland) had its project agreement posted on its website. In addition, only five IDAs (Clinton, Cortland, Herkimer, Steuben, and Wayne) had their project resolutions posted on their websites. The failure to post these documents conspicuously on the IDAs’ websites inhibits the public’s ability to access and understand the actual costs of these projects.

Project Information Posted on IDA Websites						
County IDA	Project	Application	Cost-Benefit Analysis	Resolution	Project Agreement	PILOT Agreement
Cattaraugus	Homeridae Inc.	No	No	No	No	No
Chenango	Norwich-Chenango Solar, LLC.	No	No	No	No	Yes
Clinton	Delaware River Solar - Mooers IV	Yes	Yes	Yes	No	No
Cortland	Lapeer Cortland Solar	No	No	Yes	Yes	Yes
Franklin	Jericho Rise Wind Farm LLC	No	No	No	No	No
Herkimer	Little Falls Solar, LLC	Yes	Yes	Yes	No	Yes
Lewis	US Light Denmark Solar	No*	No	No*	No	No
Oswego	Howland Solar	No	No	No	No	No
Steuben	Bright Hill Solar, LLC	Yes	Yes	Yes	No	No
Tioga	Spencer-Tioga Solar LLC	Yes	Yes	No	No	Yes
Wayne	Leenhouts Solar Farm 1, LLC.	Yes	Yes	Yes	No	Yes

*Project documents not found under the PARIS Project Name but found under the project developer’s name (Solitude Solar).

Conclusions and Recommendations

The review found Industrial Development Agencies (IDAs) are generally providing clean energy projects with sales and use tax, mortgage recording tax, and real property tax exemptions. However, we were unable to identify the total value of the financial assistance provided to 10 of the projects reviewed because IDA project agreements were not executed or did not include the amount for each type of tax exemption provided. Without the amount of financial assistance provided in project agreements the public is not able to clearly identify the costs of clean energy projects being approved by IDAs.

We also found clean energy projects do not generate permanent jobs, as few jobs are needed to maintain the project facilities. However, clean energy projects consistently create construction jobs and offer other benefits to the communities they are located in, such as aiding in the encouragement of renewable energy to achieve New York State's 2030 clean energy goal. In reviewing job information in project applications, we found IDAs are not consistently ensuring project applicant's requesting financial assistance include the employment impact of the project as full-time equivalent jobs (FTEs), as required by Section 859-a (4) of General Municipal Law (GML).

Of more concern, we found none of the IDAs had all the required project documents posted to their websites. In July 2020, the ABO issued a review of IDA 2018 New Projects that included recommendations for all IDAs to improve the transparency of project documents by including amounts in project documents and posting project documents on IDA websites. The continued lack of adequate disclosure and transparency of IDA project documents is indicative of inadequate board oversight and the potential failure of board members to uphold their fiduciary duty to be knowledgeable of the IDA's statutory duties. As such, the ABO makes the following recommendations for all IDAs in the State to improve board oversight and ensure compliance with accountability and transparency requirements:

1. IDAs should ensure that each project application separately and distinctly includes the estimated amount and type of financial assistance being requested and the projected number of full-time equivalent jobs that would be retained or created if the financial assistance is granted, in accordance with Section 859-a (4) (c) of GML.
2. IDAs should not provide financial assistance over \$100,000 to any project without executing a complete project agreement that includes the estimated amount and type of financial assistance to be provided and any PILOT terms, if applicable, in accordance with Section 859-a (6) of GML.
3. IDAs should ensure that the project application, cost-benefit analysis, board resolution, and the uniform project agreement (including PILOT terms) for each active project is conspicuously posted on the IDA's websites, in accordance with ABO Regulation 19 NYCRR 250.1.

Appendix A – Project Summaries

Solar Projects

Cattaraugus IDA - Homeridae Inc. (Project Code – 401-1706A)

Project Approved: September 19, 2017

Project Term: 15 Years

The project is to build a 3.2-megawatt (MW) solar farm on approximately 17 acres of leased vacant land, designated as a NYS Brownfield Cleanup Program property in the City of Olean. The estimated total project cost in the application is \$6 million. The renewable electricity produced at this facility will be sold to the City of Olean under a 25-year contract. The application indicates the project is requesting an undisclosed amount of real property tax exemptions. It does not indicate permanent jobs to be created, but states independent contractors will be hired for management, electrical and landscaping. The project is expected to create 40 construction jobs.

The IDA did not complete a cost-benefit analysis for this project identifying the estimated value of any tax exemptions to be provided to the project and any additional sources of revenue for municipalities and school districts, as required by Section 859-a (5)(b) of General Municipal Law.

The IDA board resolution approves the project for sales tax exemptions, mortgage recording tax exemptions and real property tax exemptions. However, the resolution does not include the amounts for these exemptions. The resolution indicates that the project is a deviation from the IDA's Uniform Tax Exemption Policy (UTEP).

The Uniform Project Benefits Agreement provides the project with \$285,000 in real property tax abatements. The agreement indicates the real property tax abatement is the difference between the payment in lieu of taxes (PILOTs) and the amount of taxes that would be paid by the project if the project was not in the control of the IDA. The project agreement does not include the total estimated real property tax exemptions.

The original PILOT Agreement includes a payment of \$5,000 per MW for 15 years, adjusted annually for inflation based on the lesser of 5 percent or the prior year's Consumer Price Index for the Northeast region. The total estimated PILOT payments are not included in the agreement. The First Amended PILOT Agreement changed the start of the PILOT payments to January 1, 2020, instead of January 1, 2019, due to the completion of the project being delayed.

Transparency

The IDA website was reviewed on September 8, 2021, and none of the selected project's documents were posted (project application, cost-benefit analysis, approving resolution, project agreement, and PILOT agreement).

Chenango IDA – Norwich-Chenango Solar, LLC. (Project Code 2018-1)
Project Approved: April 25, 2018
Project Term: 30 Years

The project is to install a 12 megawatt (MW) solar array on approximately 75 acres of leased vacant farmland in the Town of Norwich. The estimated total project cost in the application is \$21,948,534. The project will provide residents with a clean, cost-effective source of electricity, and energy savings will be provided through bill credits for participating residents on their utility bills. The application indicates the project is requesting \$460,149 in sales tax exemptions, \$164,614 in mortgage recording tax exemptions, and an unknown amount of real property tax exemptions. It states no jobs will be created other than 80 construction jobs to complete the project.

The cost-benefit analysis (CBA) for the project shows \$920,297 in sales tax exemptions and \$164,614 in mortgage recording tax exemptions. The CBA also indicates the total property tax liability for the project is \$2,528,162 and the project is expected to make payments in lieu of taxes (PILOTs) totaling \$2,190,600 over a 30-year period. The CBA shows the total savings for the project as \$337,562.

The IDA board resolution approves the project to receive sales tax exemptions, mortgage recording tax exemptions and abatements of real property taxes (real property tax exemptions). However, amounts for these tax exemptions were not indicated in the resolution. The Inducement Resolution approved prior to the board's final resolution, indicated the financial assistance included \$460,149 in sales tax exemptions (not to exceed \$465,000), \$164,614 in mortgage recording tax exemption (not to exceed \$165,000), and real property tax abatements with no amount indicated. The inducement resolution also indicated the project would deviate from the IDA's Uniform Tax Exemption Policy (UTEP).

The Project Agreement provides the project with no more than \$460,149 in sales tax exemptions, \$165,000 in mortgage recording tax exemptions and real property tax exemptions. However, the amount of real property tax exemptions is not included in the agreement. The agreement does include a PILOT schedule with \$2,190,678 in total PILOT payments over a 30-year term.

Transparency

The IDA website was reviewed on September 8, 2021, and the PILOT agreement for the project was posted. However, the project application, cost-benefit analysis, approving resolution, and project agreement were not posted on the IDA's website.

Clinton IDA - Delaware River Solar - Mooers IV (Project Code 0902-19-03)
Project Approved: March 25, 2019
Project Term: 20 Years

The project is to install a 2-megawatt (MW) solar farm on 16.399-acre of a 207.7-acre leased vacant land located in the Town of Mooers. The estimated total project cost in the application is \$4,121,707. The project will provide customers with a cost-effective source of reliable, renewable solar electricity and offer local residents and businesses to participate in a Community Solar Program and be the direct beneficiaries of reduced electricity rates. The application indicates the project is requesting \$78,000 in sales tax exemptions, \$14,877 in mortgage recording tax exemptions, and \$56,560 in real property tax exemptions annually, but it does not indicate for how long. The project is not intended to create permanent jobs other than 24-34 construction jobs.

The cost-benefit analysis for the project shows \$78,000 in sales tax exemptions, \$14,877 in mortgage recording tax exemptions, and \$56,560 in real property tax exemptions annually. The PILOT schedule and term for this project is not included.

The IDA board resolution approves the project to receive sales tax exemptions, mortgage recording tax exemptions, and real property tax exemptions. However, the resolution does not include the amounts for these exemptions. The board also approved a deviation resolution allowing the project to make payment in lieu of taxes (PILOTs) for less than required in the IDA's Uniform Tax Exemption Policy (UTEP). The deviation resolution and its attachments state the project is approved to receive \$78,000 for sales tax exemptions, \$14,877 in mortgage recording tax exemptions, and \$348,440 in real property tax exemptions. In addition, total PILOT payments are stated to be \$19,200 per year for 20 years, for a total of \$384,000.

The Uniform Project Benefits Agreement provides the project with \$78,000 for sales tax exemptions, \$14,877 in mortgage recording tax exemptions and \$348,440 in real property tax abatement. The real property tax abatement is stated to be the difference between PILOT payments and the amount of taxes that would have been paid by the project if the property was privately owned. The PILOT Agreement payments of \$12,000 annually during the 20-year PILOT term, for a total of \$240,000. We were unable to determine the estimated total tax exemptions for the project since the total real property tax exemptions to be provided are not included in the project documents approved by the board.

Transparency

The IDA website was reviewed on September 9, 2021, and the project application, cost-benefit analysis, and approving resolution for the project were posted. However, the uniform project agreement and PILOT agreement were not posted on the IDA's website.

Cortland IDA – Lapeer Cortland Solar (Project Code 1101-19-1)
Project Approved: July 8, 2019
Project Term: 30 Years

The project is to install a 15-megawatt (MW) solar farm on an 86-acre parcel of leased land located in the Town of Lapeer. The estimated total project cost in the application is \$27,185,245. The electricity produced by the project will be sold under the NYS Community Distributed Generation Program. The application indicates the project is requesting \$810,000 in sales tax exemptions, \$247,500 in mortgage recording tax exemptions, and \$203,039 in real property tax exemptions. It states no jobs to be created other than approximately 65 construction jobs to complete the project.

The cost-benefit analysis (CBA) for the project shows \$810,000 in sales tax exemptions, \$247,500 in mortgage recording tax exemptions, and \$3,106,815 in real property tax exemptions on the property improvements for 30 years. This totals \$4,164,315 in estimated tax exemptions. It states the real property tax exemptions are to be offset by fixed payments in lieu of taxes (PILOTs) of \$45,000 per year, or \$1,350,000 over the 30 years. In addition, the CBA indicates new revenue of \$243,824 for a fire district tax on the project improvements for a total estimated value of new revenue of \$1,593,824. In total, the CBA indicates a net incentive of \$2,570,491 to the project over 30 years. The CBA also details other benefits of the project including \$2.59 million in upgrades to the existing New York State Electric and Gas distribution infrastructure in the Towns of Lapeer and Marathon. The project is also indicated to avoid an estimated \$20 million in carbon costs over the 30-year period.

The IDA board resolution approves the project to receive sales tax exemptions, mortgage recording tax exemptions and real property tax exemptions. However, amounts for these tax exemptions were not indicated in the resolution. A PILOT is indicated in the resolution, but no amount or term is indicated.

The Uniform Project and Lease Agreement provides the project with \$810,000 in sales tax exemptions, \$247,500 in mortgage recording tax exemptions and \$1,756,815 in real property tax exemptions. However, we found that the real property tax exemptions listed in the agreement is actually the real property tax abatement (real property tax exemptions less PILOTs). The \$1,756,815 in real property tax exemptions represents the difference between the \$3,106,815 in real property tax exemptions and the \$1,350,000 total PILOT outlined in the CBA. The PILOT Agreement also states the total estimated PILOT payments are \$1.35 million for a 30-year term.

Transparency

The IDA website was reviewed on September 10, 2021, and the approving resolution, project agreement and PILOT agreement for the project were posted. However, the project application and cost-benefit analysis were not posted on the IDA's website.

Herkimer IDA – Little Falls Solar, LLC (Project Code 2101-19-05A)
Project Approved: August 27, 2019
Project Term: 15 Years

The project is to install a 2.867-megawatt (MW) solar farm on 15.45 acres of leased land in the Town of Little Falls. The clean energy produced at this facility will provide Herkimer County residents and small businesses savings through discounted energy credits. The estimated total project cost in the application is \$4,068,361. The application indicates the project is requesting \$84,222 in sales tax exemptions, \$20,342 in mortgage recording tax exemptions, and an undisclosed amount of real property tax exemptions. It states no jobs to be created other than 45 full-time equivalent construction jobs to complete the project.

The cost-benefit analysis (CBA) for the project shows \$84,222 in sales tax exemptions and \$20,342 in mortgage recording tax exemptions. The CBA also indicates real property tax exemptions are to be provided to the project, but the value of the exemption and the payments in lieu of taxes (PILOTs) are not included. A 15-year lease on the land is indicated.

The IDA board resolution approves the project to receive \$84,222 in sales tax exemptions (not to exceed \$85,000) and \$20,342 in mortgage recording tax exemptions. The board also approved real property tax exemptions; however, the amount is not included in the resolution and states the real property tax abatement was undetermined when the board approved the project. A PILOT is indicated in the resolution, but no amount or term is indicated.

The Project Completion and Recapture Agreement provides the project with sales tax exemptions of no more than \$85,000, mortgage recording tax exemptions and real property tax exemptions. However, the amounts for mortgage recording tax exemptions and real property tax exemptions were not indicated in the agreement.

The PILOT Agreement requires the project owner to pay the base taxes that would be due if the IDA was not involved, as well as an annual fixed payment schedule for the improvements to the property. The PILOT starts at year one at \$7,800 and increases to \$10,292 in year 15, totaling \$134,889 over the 15-year PILOT term.

We were unable to determine the estimated total tax exemptions for the project since the total real property tax exemptions were not included in any of the project documents approved by the board.

Transparency

The IDA website was reviewed on September 20, 2021, and the project application, cost-benefit analysis, approving resolution, and PILOT agreement for the project were posted. However, the uniform project agreement was not posted on the IDA's website.

Lewis IDA - US Light Denmark Solar (Project Code - 23011901A)
Project Approved: June 6, 2019
Project Term: 25 Years

The project is to install a 5-megawatt (MW) community solar farm on 28 acres of a 72-acre leased agricultural land located in the Town of New Denmark. The estimated total project cost in the application is \$7.27 million. The project will provide electrical cost savings to local residents, businesses, municipalities, and other agencies. The application does not include the amounts of financial assistance being requested but indicates the project is requesting sales tax and real property tax exemptions. Also, the application is unclear on the jobs to be created. It indicates one existing job and 48 new jobs, which may include 35 construction jobs, and it also indicates 2-4 jobs to be created.

The cost-benefit analysis (CBA) for the project shows \$46,000 in sales tax exemptions and \$3,331,755 in real property tax exemptions, totaling \$3,377,755 in tax exemptions. The CBA indicates the project is to pay \$5,000 per MW annually, increasing two percent each year. The CBA shows a net benefit of \$2,752,755 based on the total tax exemptions and PILOTs totaling \$625,000. However, the PILOT total does not include the two percent increase annually.

The IDA board resolution (June 6, 2019) for this project states the financial assistance for the project is to include sales tax exemptions, mortgage recording tax exemptions and real property tax exemptions. However, the resolution only approves sales tax exemptions up to \$99,999 and authorizes a public hearing for any exemptions to the project beyond \$100,000. The IDA did not provide another resolution approving the project for additional exemptions above the \$99,999. IDA staff indicated that this project was the IDA's first solar project and that it has since changed its procedures for providing financial assistance to solar projects.

The IDA did not execute a uniform project agreement for this project that describes the project and financial assistance, including the amount and type, to be provided, and the purpose to be achieved, as required by Section 859-a (6) of General Municipal Law. The PILOT Agreement for the project includes a 25-year PILOT schedule starting at \$25,000 in the first year and increasing two percent each year thereafter, for a total of \$800,757 in PILOT payments. We were unable to determine the estimated total tax exemptions for the project since the total amount and type of tax exemptions to be provided are not included in the project documents approved by the board.

Transparency

The IDA website was reviewed on September 23, 2021, and we were unable to locate project documents for the selected project (US Light Denmark Solar). We reached out to the IDA, and they responded that the project documents were listed under the developer, Solitude Solar. However, the cost-benefit analysis, approving resolution, and uniform project agreement were not posted on the IDA's website.

Oswego IDA – Howland Solar (Project Code - 35011805)
Project Approved: August 24, 2018
Project Term: 20 Years

The project is to install a 2-megawatt (MW) community solar farm on 20 acres of leased vacant land in the Village of Sandy Creek. The estimated total project cost in the application is \$3,176,400. The project indicates it will provide renewable energy to service 300-500 homes annually. The project application indicates the project is requesting \$8,000 in sales and use tax exemptions and an undisclosed amount of real property tax exemptions. It states it will create 23 construction jobs and two to three part-time employees after the project is completed.

The cost-benefit analysis (CBA) for the project shows \$8,000 in sales tax exemptions and does not include the value of the real property tax exemptions to be provided. The CBA indicates the project is expected to make payments in lieu of taxes (PILOTs) totaling \$146,780 for a 20-year period. The project is indicated to be a deviation from the IDA's Uniform Tax Exemption Policy (UTEP). The CBA also indicates the project will avoid 2,400 tons of CO2 annually.

The IDA board resolution approves the project to receive sales tax and real property tax exemptions but does not include the value of the exemptions approved. The board did not approve a deviation for the project.

The Project Agreement provides the project with sales tax exemptions and real property tax exemptions, but the value of the tax exemptions is not included. The agreement states the real property tax abatement is \$23,000 and PILOTs for 20 years are to be \$154,700. The PILOT Agreement states the total estimated PILOT payments are \$154,700 for a 20-year term. We were unable to determine the estimated total tax exemptions for the project since the total amount and type of tax exemptions to be provided are not included in the project documents approved by the board.

Transparency

The IDA website was reviewed on September 27, 2021, and none of the selected project's documents were posted (project application, cost-benefit analysis, approving resolution, project agreement, and PILOT agreement).

Steuben IDA – Bright Hill Solar, LLC (Project Code - 4603-20-02)
Project Approved: May 28, 2020
Project Term: 20 Years

The project is to build a 5-megawatt (MW) community solar farm on approximately 24.9 acres of unused leased agricultural land in the Town of Dansville. The estimated total project cost in the application is \$6,438,930. The electricity produced will be sold under a community solar model, where residents in New York State Electric & Gas's (NYSEG) territory will be given the option to purchase electricity to save on their electric bills. The application also indicates an indirect benefit of upgrading NYSEG's electricity infrastructure. The application indicates the project is requesting \$317,114 in sales tax exemptions, \$39,237 in mortgage recording tax exemptions, and an undisclosed amount of real property tax exemptions. It states no jobs to be created other than 50 full-time equivalent (FTE) construction jobs to complete the project.

The cost-benefit analysis (CBA) for the project shows \$318,000 in sales tax exemptions and \$40,000 in mortgage recording tax exemptions, totaling \$357,000 in tax exemptions. The CBA also indicates real property tax exemptions are to be provided, but the value of the exemption and payments in lieu of taxes (PILOTs) are not included. The CBA indicates a total net benefit of \$3,580,000; but it is unclear how this amount is determined from the details.

The IDA board resolution approves the project to receive sales tax exemptions, mortgage recording tax exemptions and real property tax exemptions, but the amount approved in the resolution only includes the sales tax exemptions, totaling \$317,114.

The Project Agreement provides the project with sales tax exemptions, mortgage recording tax exemptions and real property tax exemptions. However, the sales tax exemption amount of \$317,114 is the only exemption amount included in the agreement. The PILOT Agreement includes total payments of \$668,178 over the 20-year PILOT term. We were unable to determine the estimated total tax exemptions for the project since the total mortgage recording tax and real property tax exemptions were not included in the project documents approved by the board.

Transparency

The IDA website was reviewed on September 28, 2021, and the project application, cost-benefit analysis, and approving resolution for the project were posted. However, the uniform project agreement and PILOT agreement were not posted on the IDA's website.

Tioga IDA – Spencer-Tioga Solar LLC (Project Code - 4901-18-01 A)
Project Approved: April 4, 2018
Project Term: 30 Years

The project is to install a 16-megawatt (MW) solar array on 110 acres of leased marginal quality farmland in the Town of Spencer. The estimated total project cost in the application is \$26,945,080. The proposed project will generate clean energy and provide a potential savings to local electricity consumers. The application indicates no direct full-time jobs to be created and 80 construction jobs are expected to complete the project. There is no financial assistance section in the application to indicate the amount of financial assistance being requested; however, it is indicated the project is requesting sales tax and real property tax exemptions.

The cost-benefit analysis (CBA) for the project shows \$672,986 in sales tax exemptions, \$215,268 in mortgage recording tax exemptions, and \$4,129,118 in real property tax exemptions. The CBA also indicates the project is to pay \$5,400 per MW annually with a two percent increase each year for 30 years, totaling \$3,634,900 in payments in lieu of taxes (PILOTs). The total real property tax abatement presented in the CBA is \$494,218.

The IDA board resolution approves the project to receive sales tax exemptions, mortgage recording tax exemptions and real property tax exemptions. However, the resolution does not include the amounts for these exemptions. The board also approved entering into a PILOT Agreement deviating from its Uniform Tax Exemption Policy (UTEP). The proposed PILOT payments are estimated to total \$3,634,900 for a 30-year term.

The Project Agreement provides the project with \$672,986 in sales tax exemptions, \$215,268 in mortgage tax exemption, and \$494,218 in real property tax abatement over 30 years. The PILOT Agreement also includes \$3,634,900 in PILOTs. The total amount of real property tax exemptions to be provided is not listed. We were unable to determine the estimated total tax exemptions for the project since the total real property tax exemptions to be provided are not included in the project documents approved by the board.

Transparency

The IDA website was reviewed on September 28, 2021, and the project application, cost-benefit analysis, and PILOT agreement for the project were posted. However, the approving resolution and uniform project agreement were not posted on the IDA's website.

Wayne IDA – Leenhouts Solar Farm 1, LLC. (Project Code - 5401-20-10A)
Project Approved: September 18, 2020
Project Term: 15 Years

The project is to install a 1.625 megawatt (MW) solar farm on 8.3 acres of a 49-acre unused leased agricultural land in the Town of Ontario. The estimated total project cost in the application is \$3,157,750. The project owner is a home leasing company that plans to use the energy created for its properties and to provide bill credits to its customers. The application indicates the project is requesting \$124,500 in sales tax exemptions and \$66,636 in real property tax exemptions annually. However, the term of the exemptions is not stated to indicate the total real property tax exemptions being requested. The project is to create less than one full-time equivalent (FTE) job and four FTE construction jobs.

The cost-benefit analysis (CBA) for the project shows \$124,500 in sales tax exemptions and \$1,642,352 in real property tax exemptions. The CBA indicates the project is to pay \$154,560 in payments in lieu of taxes (PILOTs) over a 15-year term. The CBA also indicates the project will provide a host community benefit totaling \$40,625.

The IDA board resolution approves the project to receive sales tax exemptions totaling \$124,500. The resolution also indicates a mortgage recording tax exemption and a real property tax exemption; however, the amounts are not included in the resolution.

The Agent and Financial Assistance and Project Agreement provides the project with \$124,500 in sales tax exemptions and \$1,642,352 in real property tax exemptions, totaling \$1,766,852. The PILOT Agreement states the project is to pay base taxes on the assessed value of the land plus \$5,500 per MW for 15 years with a 2 percent increase annually. The PILOT schedule shows the per MW portion of the PILOT totaling \$154,560. The base tax amount was not included in the agreement to identify the total PILOT payments.

Transparency

The IDA website was reviewed on September 28, 2021, and the project application, cost-benefit analysis, approving resolution, and PILOT agreement for the project were posted. However, the uniform project agreement was not posted on the IDA's website.

Wind Project

Franklin IDA – Jericho Rise Wind Farm LLC (Project Code 2016-10-20)

Project Approved: October 12, 2016

Project Term: 30 Years

The project is to build a 77.7-megawatt (MW) wind on approximately 6,100 acres of leased land from 72 participating landowners in the Towns of Belmont and Chateaugay. The estimated total project cost in the application is \$156 million. The application indicates the project is requesting \$3,760,000 in sales tax exemptions, \$200,000 in real property tax exemptions, and an undetermined amount of mortgage recording tax exemptions. It states the project will create 10 permanent jobs for long-term operations and maintenance of the facility and 200-300 construction jobs will be created to complete the project.

The cost-benefit analysis (CBA) for the project shows \$3,760,000 in sales tax exemptions. It does not show exemptions for mortgage recording tax and real property tax exemptions. The CBA states the project is expected to make payments in lieu of taxes (PILOTs) totaling \$10,106,303 over a 30-year period. The CBA also indicates Franklin County entities will benefit from \$11.6 million through Host Community Agreements and \$388,500 for an Economic Development Reserve Fund.

The IDA board resolution approves the project to receive sales tax exemptions, mortgage recording tax exemptions and real property tax exemptions. However, the resolution does not include the amounts for these exemptions.

The IDA did not execute a uniform project agreement for this project that describes the project and financial assistance, including the amount and type to be provided and the purpose to be achieved, as required by Section 859-a (6) of General Municipal Law. The Lease Agreement indicates the project is to receive sales tax exemptions, mortgage recording tax exemptions and real property tax exemptions. However, amounts for these tax exemptions are not included in the Lease Agreement.

The PILOT Agreement includes a payment of \$4,000 per MW for 30 years, adjusted annually for inflation based on the lesser of 2 percent or the prior year's Consumer Price Index for the Northeast region.

Transparency

The IDA website was reviewed on September 10, 2021, and none of the selected project's documents were posted (project application, cost-benefit analysis, approving resolution, project agreement, and PILOT agreement).