

SL Evans, LLC / Solar Liberty Energy Systems, Inc
\$ 20,769,000

PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 221114

COMPANY INCENTIVES

- Property tax savings = \$3.62 M (based upon NYS Appraisal for solar & wind: 2023 cash flow model)
- Up to \$ 525,000 in sales tax savings

JOBS & ANNUAL PAYROLL

- Current Jobs: 0
- Projected new jobs: 0
- Projected new job salary: \$0
- Construction Jobs: 90

PROJECTED COMMUNITY BENEFITS*

- Term: 20 YEARS
 - NET Community Benefits: \$14,632,021
 - Spillover Jobs: 79
- Total Payroll: \$12,845,937

INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*

Incentives: \$3,451,547

Community Benefit: \$14,435,867

Cost: Benefit Ratio

- 1:4

Project Title: SL Evans

Project Address: 7612 & 7690 Southwestern Blvd, Evans, NY 14057
(Eden Central School District)

Agency Request

A sales tax and real property tax abatement in connection with a large-scale community solar project that aims to generate 8.25 MW of solar energy. The project will utilize approx. 22,300 solar modules and 66 string inverters which convert the sun’s energy into useable AC power.

Manufacturing Equipment	\$ 11,444,004
Infrastructure	\$ 1,880,000
Non- Manufacturing Equipment	\$ 6,572,746
Soft Costs	\$ 124,750
Other Costs	\$ 747,500
Total Project Cost	\$ 20,769,000
85%	\$ 17,653,650

Company Description

Solar Liberty Energy Systems, Inc is 100% owner of SL Evans, LLC. There is an intent to sell SL Evans, LLC to Catalyze Holdings or one of its affiliates.

Project Description

In support of New York State’s 2030 Renewable Energy goals, the Town of Evans contacted the ECIDA to initiate a PILOT in accordance with the terms negotiated between the applicant SL Evans, LLC and the affected taxing jurisdictions: County, Town and School District.

The project consists of the ground mounted installation of 2 solar arrays producing a combined 8.25 MW of AC power that will be located on approximately 33 acres of undeveloped land. This land is located within the Town’s Solar Overlay District on Southwestern Blvd. A Host Community Agreement has been reached valued at \$451,032 (\$2,250 /MWac per year with a 2% escalator for a 20 year term). A decommissioning bond was executed on Jan 5, 2024 by SL Evans, LLC and the Town of Evans.

* Cost Benefit Analysis Tool powered by MRB Group

Economic Impact: Inform Analytics Cost-Benefit Analysis

The Erie County Industrial Development Agency uses the Cost Benefit Analysis Tool powered by MRB Group to assess the economic impact of a project applying for incentives. A Cost-Benefit Analysis is required by Section 859-a (5)(b) of General Municipal Law. For the complete Cost Benefit Analysis – please see the attached MRB Cost Benefit Calculator.

Cost: Incentives

COSTS	Tax Exemption	Amount
	Property	\$3,713,447
	Sales	\$ 525,000
	Mortgage Recording	0
	Total	\$4,238,447
	Discounted at 2%	\$3,451,547

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$12,845,937
			Payroll Permanent	\$ 0
		Public	Property Taxes	\$ 1,011,313
			Sales Taxes	\$ 106,782
			Other Muni Revenue (NFTA)	\$ 0
	New York State	Public	Income Taxes	\$ 578,067
			Sales Taxes	\$ 89,922
			Total Benefits to EC + NYS***	\$14,632,021
			Discounted at 2%	\$14,435,867

* Cost Benefit Analysis Tool powered by MRB Group **includes direct & indirect \$ over project period *** may not sum to total due to rounding

Discounted Cost \$ 3,451,547
 Discounted Benefit \$14,435,867
 Ratio 1:4

Conclusion: The Cost Benefit for this project is: 4:1. For every \$1 in costs (incentives), this project provides \$4 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$4 in benefits to the community.**

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value ¹	Additional County Revenue over abatement period	Additional Town Revenue Over abatement period	Additional School Revenue over abatement period.	New Yearly Taxes Upon Expiration of Abatement Period ²
\$4,559	\$ 5,902,079	\$174,712	\$292,255	\$635,537	\$4,559
Combined Tax Rate: \$ 40.026					

¹Assessed Value of property is based upon NYS Appraisal methodology for solar & wind project – 2023 cash flow approach. The figure above shows the combined increase in property value for the 2 solar arrays (Evans 1 and Evans 2).

²Reflects property taxes on land only assuming decommissioning of solar project post 20 year term.

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total project amount = \$ 20,769,000 85% = \$ 17,653,650
Employment	Coincides with 20-year PILOT	No employment to be created as part of this project.
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 20-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 20-year PILOT	Adherence to Policy
<u>Recapture Period</u>	Coincides with 20-year PILOT	Recapture of Real Property Tax, state and local sales taxes

Recapture applies to:

State and Local Sales Taxes
Real Property Tax

Recapture

Pursuant to New York State General Municipal Law, the agency shall modify, recover, recapture or terminate any financial assistance taken by the company that is in violation of the GML.

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 0 FTE jobs and created 1 PTE job, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

Project ECIDA History

- 2/5/24: Public hearing held.
- 3/27/24: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 3/27/24: Lease/Leaseback Inducement Resolution presented to the Board of Directors