

The Chronicle-Express

Greenidge gets sales tax break

By John Christensen

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The Finger Lakes Economic Development Center (FLEDC), Yates County's industrial/economic development agency, unanimously approved the abatement of sales tax for the construction of a natural gas pipeline to supply the Greenidge power plant in Dresden. This was done to allow the purchase of materials to begin the project as soon as possible. The approval by the EPA for the refiring of the former coal plant with natural gas is expected soon by Greenidge parent company, Atlas Holdings.

The estimated Sales Tax Exemption is \$355,000; \$35,000 for the plant renovations and \$320,000 for the pipeline project.

Total Construction / Capital Investment: \$25 million/ \$16 million in hard costs

– Pipeline Construction: \$5.7 million

– Power Plant: \$5 million

– Meter Station: \$3.6 million

– Interconnect: \$2 million

The total project incentives package equals over \$4.4 million and includes:

– Estimated Mortgage Tax Exemption: \$160,000

– Estimated Sales Tax Exemption: \$355,000

– Estimated PILOT Savings over 15 years: \$1.9 million

– New York State Incentives (Empire State Development Grant): \$2 million

FLEDC CEO Steve Griffin has calculated total project benefits to the community at nearly \$38 million. Employment estimates for construction are 60-80, with permanent jobs numbering 11 full-time employees with an average annual salary at \$60,000, a \$660,000 annual payroll, and \$9.9 million in salaries over the 15-year PILOT term.

The property tax abatement portion of the Payment in Lieu of Taxes (PILOT) agreement will wait until after Aug. 5, when the public comment period ends.

Griffin reports approximately 10-12 individuals attended the first hearing last Monday night in Dresden, and four at Tuesday's public hearing at the Yates County office building. There was no opposition to the tax incentive proposal. The Village of Dresden passed a resolution in support of the project that was read during that hearing. Questions mainly centered on the structure of the PILOT and the proposed location of the pipeline in relation to the Keuka Outlet.

Greenidge will make PILOT payments totalling nearly \$3.1 million over 15 years, and additional payments equal to 2.5 percent of net generation revenue (generation revenue minus delivered fuel cost to burner tip) over \$4 million per year from existing generation units. Additional payments of 1 percent of net generation revenue will come from any additional generation capacity constructed at the plant in the future.

The FLDEC agenda also included:

– Horizon Business Park: The board authorized Griffin to negotiate with Gordon Randall Properties for the sale of approximately 9.1 acres of land at Horizon Business Park. He reports the buyers originally wanted two acres, but the location of a retention pond on the proposed lot made their site layout problematic. Griffin says the developers' goal is to construct a 9,600 square foot facility for their own use as a metal fabrication company and a wholesale steel supplier. Immediately after completion of that facility, they plan to build another 10,000-12,000 sq. ft. facility to be leased out. Once that is built and filled, they plan to build a third building of similar size for another flex space option. "We do have a need for additional flex space," says Griffin, "so the Board was in approval of selling the land with contingencies on timeframes for start and completion dates for each of the three buildings, and our input on site layout for the facilities among others."

– Keuka Business Park - Keuka College will be moving out of the Keuka Business Park and into the new Keuka Commons facility on their campus in early August, leaving the third floor and most of the second floor of KBP empty. Griffin says FLEDC is working with Keuka and New York State to add those offices as “Start-Up NY” eligible locations.

– Development Tour :FLEDC is working with the Greater Rochester Chamber of Commerce (including former Lt. Governor Bob Duffy) on a familiarization tour of Yates County for Rochester area developers in the first week or two of September. Two developers have already said they would participate.