

# HABITAT

## BRICKS & BUCKS

### This Co-op Lets the Sun Fund Its Capital Improvements

Bryan Virasami in [Bricks & Bucks](#) on August 30, 2017

[Ossining, Westchester County](#)



*SKY HIGH ABOVE THE HUDSON: Members of the Scarborough Manor co-op board with their new solar panels.*

**Aug. 30, 2017** — Savings from large solar installation pay for new boilers and more.

Two years ago, the board at **Scarborough Manor**, a 205-unit co-op in **Ossining, New York** voted to proceed with a major infrastructure upgrade that included new boilers and generators. But at first, it was not clear how they would pay for the job.

After a months-long examination of solar energy, the nine-member board concluded unanimously that tapping the sun's power meant they wouldn't have to tap the reserves to fund the capital-improvement projects, according to

board president **Gary Montesano**. In addition, generous **tax credits** along with **state incentives** slashed the upfront costs of the solar installation, which made it an even easier decision.

“We decided that rather than assess shareholders and raise maintenance to unsustainably high levels, we could make energy-saving improvements first,” Montesano says. The savings from solar power are now being used to help pay for the capital-improvement projects.

Panels were installed on the roofs of two seven-story residential buildings and the clubhouse, and the savings began as soon as the switch was flipped in January of this year. It’s the largest residential solar array in Westchester County, and it supplies 25 percent of the electrical needs for the common areas, including the lobbies, hallways, exterior and interior lighting, the pool area, and the clubhouse. The board also installed **LED lights** in many parts of the complex, further cutting the co-op’s electricity bill.

“Between solar and LED, we’re saving \$150,000 a year and we basically cut our utility bill in half,” Montesano says. “All of that is being put toward other improvements.”

The board took out a bank line of credit and was able to pay back the portion it used out of the operating budget, Montesano says. The tax credits were about \$300,000, plus another \$300,000 in incentives from the **New York State Energy Research and Development Authority** (NYSERDA) – which sharply reduced the co-op’s share of the \$1.5 million solar project. “We did not touch our reserves for this project,” Montesano says. He declined to specify the lender or the size of the line of credit.

Several years ago, the board had replaced the roofs on the three buildings, and they wanted to ensure that the installation of the solar panels would not compromise the integrity of the roofs. That required a careful screening of potential contractors. The board interviewed about 15 companies and threw out half right away as they seemed to be “fly-by-night,” Montesano says. Board members went on field trips to inspect the work of some applicants and eventually settled on **Sunrise Solar Solutions**, a Westchester-based company that proposed a racking system that minimized the number of holes in the roof membranes. “The fact that they were local was a very big deal for the board,” Montesano says. “That was a game changer for us.”

**Douglas Hertz**, the CEO of Sunrise, says another challenge was ensuring the panels are strong enough to withstand hurricane wind gusts. “They’re in the Hudson River special wind zone,” he notes.

Hertz says it’s not always simple to work with co-op boards, given the number of people who make decisions. However, based on his experience, no co-op board has ever signed up for a solar project unless the finances made sense, and some clients have saved up to 65 percent when all the solar incentives are included.

“Everyone is looking for ways to maintain the quality of life in a co-op and keep operating expenses under control,” Hertz says, “and one of the big runaway costs that buildings have is their utility expenses. This is a way to control

those utility expenses and be able to budget for them over a 25-year period.”

**PRINCIPAL PLAYER – CONTRACTOR:** *Sunrise Solar Solutions.*

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