

Special Town Meeting
April 2, 2016

ARTICLE 5:

To see if the Town will vote, pursuant to the provisions of G. L. c.59, §38H, to authorize the Board of Selectmen and Board of Assessors to negotiate and enter into an agreement for payments in lieu-of- taxes ("PILOT"), for a 0.5 MW –AC (more or less) solar photovoltaic energy generating facility for MA Highway Solar, LLC (or its affiliates, successors or assigns) to be located on property described as Plymouth Route 3 Interchange Exit 5 , upon such terms and conditions as the Board of Selectmen and Board of Assessors shall deem to be in the best interest of the Town, or take any other action relating thereto.

BOARD OF SELECTMEN

**Town of Plymouth
Finance Department**

TO: Board of Selectmen and Advisory & Finance Committee
 FROM: Lynne A. Barrett, Director of Finance
 RE: **2016 Special Town Meeting - Article 5 – Solar PILOT
 Plymouth Route 3 Interchange Exit 5**
 DATE: January 29, 2016



Article 13 of the Spring 2013 Special Town Meeting authorized the Board of Selectmen to negotiate one or more agreements for payments-in-lieu-of-taxes (PILOT) pursuant to the provisions of M.G.L. Chapter 59, Section 38H(b), and Chapter 164, Section 1 for property relating to renewable energy generation facilities. The town has since entered into several PILOT agreements. Because of the state statute, communities are allowed to tax these facilities through a negotiated PILOT agreement.

This fall, MA Highway Solar LLC submitted their required documentation to the Director of Assessing for review for a 0.5 MWAC Solar Photovoltaic facility located at Plymouth Route 3 Interchange Exit 5.

A PILOT agreement can be beneficial to both the developer and the Town; some of the advantages are but not limited to:

Developer	Town
1. Set stream of payments known at the beginning of the project for cost evaluation or financing.	1. Set stream of payments for tax billing purposes based on an initial evaluation of cost for appraisal versus on an annual basis. Lowers our transaction cost by avoiding a 3 year certification / valuation appraisal.
	2. Because the facility is considered personal property the town could not perfect a lien like we can with real estate if it went unpaid. We would seek remedy under a violation of the contract terms.
	3. Removes the risk of disagreement of the value and potential for requests for abatement.
	4. Negotiated PILOTS with solar developers prompt development of renewable energy in the Town of Plymouth.

By using the income approach to value a rate of \$12,500 per MWAC was the negotiated amount for the PILOT. The term of the agreement will be for 20 years and will include an annual escalator of 2.5%.

A vote of Town Meeting is required to adopt the PILOT agreement. Your consideration and endorsement of this PILOT is appreciated. Thank you for your attention.