

## **STM 5 – Solar Pilot – Exit 5**

*minutes from 2/3/16 A&F meeting*

Lynne Barrett, Director of Finance, presented STM Article 5. This is for a PILOT agreement at the Route 3 Interchange Exit 5 for the existing 0.5 MW-AC solar photovoltaic energy generating facility for MA Highway Solar LLC (or its affiliates, successors, or assigns). This article has similar terms to all of the other PILOT agreements voted at Town Meeting previously. An income approach was used to value a rate of \$12,500 per MWAC. The term of the agreement will be for 20 years and will include an annual escalator of 2.5%.

Questions:

- This solar facility has been up for 4-6 months, what are they doing now? (S Joyce) As far as the power being generated, it is for the state and is not benefitting the town.
- Any way to make it look better? (M Lincoln) That is a question/conversation for the developer.
- This is state property so is the developer paying the state? (J Moody) Not sure about the deal with the state, most likely they are receiving payment. This PILOT is for personal property only, not for real estate. They would get a personal property tax bill from us anyway, this is just negotiating a steady payment stream.
- What is the value of that bill today? (J Moody) It is usually a lot higher in the beginning then decreases over time as the value of the personal property decreases. The Assessor looks at the income approach and divides that evenly over 20 years.
- Do we know we are getting more through the PILOT than billing through personal property tax? (J Moody) The goal is not to make money, the agreement helps collect the taxes due.
- I would like to see that illustrated. Is this more or less than personal property tax would be? (B Cavacco) In the beginning it is less than what the tax bill would be, with depreciation and the escalator, later years they will pay more than they would otherwise be taxed, in the end it adds up to the same amount.
- So in the end, the stream of payments is equivalent as to how it would be with personal property tax, but this helps provide a steady stream of payments where both parties know what to expect. (R Cote) Correct.

**Ethan Kusmin made a motion to recommend STM Article 5 to Town Meeting. Patrick O'Brien, second. The motion carries unanimously (11-0-2). Betty Cavacco and Scott Stephenson, abstained.**