

## ARTICLE 5:

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 payment-in-lieu-of-taxes (“PILOT”) for a 0.5MW-AC (more or less) solarphotovoltaic energy generating facility for MA Highway Solar, LLC or its affiliates, successors, or assignees for a period of up to 20 years 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 relative thereto.

BOARD OF SELECTMEN

**RECOMMENDATION: Approval (Unanimous, 11-0-2).**

The Advisory & Finance Committee recommends Town Meeting approve Article 5. Town Meeting approval of this article will authorize the town to accept a PILOT (payment in lieu of taxes) agreement between the town and MA Highway Solar for its 0.5 MWAC solar photovoltaic facility located at Exit 5. A rate of \$12,500 per MWAC is the negotiated amount. The term of the agreement will be for 20 years and will include an annual escalator of 2.5%. By entering into a PILOT, the town will receive a set stream of payments and have a remedy to seek damages should there be a default.

**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.