

Oneida County Industrial Development Agency
Uniform Tax Exemption Policy (Community Solar Projects)
Adopted _____, 2020

(draft 8/14/2020)

The Oneida County Industrial Development Agency (the “Agency”) has adopted the following uniform tax exemption policy with respect to Community Solar projects. Final determinations regarding the extent to which financial assistance, if any, will be granted are solely within the discretion of the Agency. The Agency’s definition of ‘community solar projects’ follows the guidance and definition as provided by the New York State Energy and Research Development Authority (NYSERDA). The Agency will modify its definition of ‘community solar projects’ as needed, as NYSERDA updates its guidance.

I. Project Eligibility Criteria.

- (A) All Project Operators must submit a signed Application for Financial Assistance in the Agency’s standard form, together with all supplemental information the Agency may require (the “Application”).
- (B) Support of the affected tax jurisdictions is required for all Community Solar projects. Community Solar projects are encouraged to enter into a Host Community Agreement to evidence the endorsement by the host jurisdiction. In the absence of a Host Community Agreement, at minimum a letter of project endorsement from the tax jurisdictions must accompany the Application.
- (C) The Agency will consider the following additional factors in determining whether a Community Solar project is eligible for financial assistance:
 - i. The extent to which the project benefits end users residing in Oneida County
 - ii. The extent to which a project provides a significant energy cost savings to an existing or proposed new business or project in Oneida County, and whether such savings is guaranteed by the developer

- iii. The extent to which an off-site generation project has a wholesale power purchase agreement with one or more users which support a project or Agency-eligible business in Oneida County
- iv. The extent to which the project is located on undesirable land or difficult land to develop (e.g., landfills, gravel pits, sites designated as Brownfield, not harmful to agriculture operation)
- v. The extent to which a property owner is required to pay any taxes or other property fees under its agreement with the Project Operator
- vi. The extent to which a Project Operator is purchasing panels for the project that are manufactured domestically
- vii. The extent to which a project does not create an additional burden to affected tax jurisdictions

II. Financial Assistance

(A) **Property Tax Exemptions.** Project Operators will pay to the Agency for a period of fifteen years a fixed payment in lieu of exempt taxes (the “PILOT Payments”), which the Agency will allocate to the affected tax jurisdictions in the same proportion that taxes would have been paid but for the Agency’s involvement. PILOT Payments will be calculated as follows:

- The Project Operator will pay a fixed PILOT Payment equal to \$10,000 per megawatt, with an annual increase of two percent (2.00%) during years 2 through and including 10 and an annual increase of five percent (5.00%) during years 11 through and including 15. The Project Operator will pay 100% of taxes after year 15.
- The Agency will use the megawatt projections contained in the Application as the base line for the initial PILOT calculation (the “Base Line MW”). The Project Operator will be required to provide to the Agency annually the Annual Megawatt Generation Report that is submitted to NYSERDA and the Agency will adjust the Base Line MW annually based on actual MW; Upward not downward.
- PILOT Payments are in lieu of taxes that would have been paid on the increase in assessment resulting from the Project. In addition to the PILOT Payments, the Project Operator shall pay 100% of taxes attributed to the Land.

(B) **Mortgage Recording Tax Exemption.**

- If, based on the project eligibility criteria described in Part I of this Policy, the Agency determines a project is eligible for financial assistance, the Agency will provide an exemption from New York State mortgage recording tax for the financing of project costs.
- Such exemption is limited to the extent of the Agency's legal exemption. As of the date of this Policy, the Agency is exempt from .75% of 1% of the mortgage recording tax, and the Project Operator is responsible for payment of .25% of 1% of the mortgage recording tax.
- The Agency reserves the right to deviate from the mortgage recording tax exemption policy on a case by case basis at its sole discretion.

(C) **Sales Tax Exemption.**

- No Sales tax benefit is offered.

III. Other Requirements

- **Annual Rent.** The Project Operator shall pay annual rent to the Agency in the amount of \$2,000.00, payable on the Closing Date and annually each January during the term of the PILOT Agreement.
- **Host Community Payment.** If the Project Operator has not negotiated a Host Community Agreement with the municipality in which the Project is located, the Project Operator will be required to pay directly to the host jurisdiction a Host Community Payment equal to five percent (5.00%) of the annual PILOT Payment.
- **Decommission Plan.** The Project Operator must provide a detailed plan for decommissioning the Facility, acceptable to the Agency and the host community. The Agency will require evidence that provision has been made to reserve funds for decommissioning, either through the posting of a bond or establishment of an escrow account.

V. Recapture

The Agency financial assistance is conditioned upon the Company's representations that the project will be completed substantially in accordance with the project that is contained in the Application (the "Project Obligation"). The Agency is required to review on an annual basis whether a Project is achieving its Project Obligation. Failure to provide the annual report to the Agency, or if the Annual Report shows that a Company is not meeting its Project Obligation, could result in recapture of all or a portion of tax benefits granted by the Agency.

VI. Deviations

Deviations from this Policy shall be infrequent. The Agency reserves the right, at its sole discretion, to deviate from this Policy on a case by case basis. The Agency will provide written notice to the chief executive officer of each affected tax jurisdiction of any deviation from this Policy and will comply with the deviation requirements of the General Municipal Law.