



## County of Lewis Industrial Development Agency

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### **Off-Site Commercial Solar Photovoltaic Policy**

#### **Purpose**

The Lewis County Industrial Development Agency (LCIDA) wishes to adopt an off-site commercial solar photovoltaic policy to encourage solar development for the following purposes:

1. Support New York State's "Reforming the Energy Vision" Initiative, which is intended to encourage renewable energy development that will spur economic growth and develop new energy business models. The initiative sets statewide goals of cutting greenhouse gas emissions by 80% by 2050 and generating 50% of New York's electricity from renewables by 2030.
2. Support consumer choice for renewable energy generation and the use of local and regional renewable energy sources and technologies.
3. Administer a single countywide uniform tax exemption policy allowing municipalities to collect long-term predictable payments in lieu of taxes without the burden of developing and administering PILOT agreements at the municipal level.
4. Assist project developers by offering a single countywide tax exemption policy, eliminating the need to negotiate PILOTS with multiple taxing jurisdictions.
5. To enhance developers' prospects for financing community distributed generation projects by offering a uniform PILOT structure that is simple, predictable, and more appealing to lenders.
6. To preserve actively farmed, prime farmland for agricultural purposes.

#### **Policy**

This policy provides incentives for off-site solar projects that provide renewable energy benefits to residential and commercial customers. Eligible projects are commercial scale projects, generally two megawatts or more, as outlined in state law. Types of eligible projects include:

- Community distributed solar /shared solar
- Off-site generation projects that have a wholesale power purchase agreement with one or more users.
- Projects greater than five megawatts, individually or aggregate in similar locations, must negotiate a specific agreement.

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To respect variations in local municipal policy, the LCIDA will seek input from each host community regarding the status of site permitting and approval and the final tax incentive agreement that is reached with a private solar development company. Written comments from the host municipality will be included in the LCIDA's documentation for review and approval for each individual project application. The LCIDA will provide notice to the taxing jurisdiction of a proposed project and it is the municipalities responsibility to submit comments. The LCIDA also strongly encourages solar companies to provide the opportunity for residences and businesses in the County to purchase locally produced energy, and evidence of this effort will be considered in project approval.

The LCIDA will provide formal notice of the terms for each proposed solar incentive application to all taxing jurisdictions directly affected, as outlined in LCIDA's UTEP

The following standard incentives will be offered:

**Property Tax:** Real estate taxes on the increased value resulting from improvements are partially abated over a twenty (20) to twenty-five (25) year period. The annual payment in lieu of taxes (PILOT) will range from \$5,000 to \$5,500 per megawatt (MW) of the facility's nameplate capacity, with a 2% increase each year. PILOT payments replace local, county, and school district taxes only; special district taxes are not eligible under the PILOT.

In the event that the Solar Project is located on land that is not Actively Farmed, then the PILOT payment shall be reduced by ten percent (10%).

In the event that the Solar Project is located on land other than Prime Farmland, the Solar Project shall be eligible for a reduced PILOT payment. The amount of the reduction shall be 5% if the land is categorized as "Prime - If Drained". The amount of the reduction shall be 10% if the land is categorized as "Land of Statewide Importance". The amount of the reduction shall be 15% if the land is not categorized as "Prime", "Prime - If Drained", nor "Land of Statewide Importance".

The LCIDA may take into account any Host Community Benefit Agreement between the project applicant and any Effected Jurisdictions or any Community Economic Development Fund Agreement in determining the amount of PILOT payments payable by the project applicant.

Sales Tax: Exemption from State and local sales tax on project costs outlined in the IDA Policies and Procedures.

Mortgage Recording Tax: Exemption from the State share of the mortgage recording tax as outlined in the IDA policies and Procedures.

### **Fees**

The applicant is responsible for paying the LCIDA Project Fee at the time of closing. The fee will be equal to 1.0% of the cost of the applicant's project. This includes all expenses (ie utility fees, contingencies, costs offset by other incentives). The applicant is also responsible for paying the LCIDA for all legal costs it incurs including LCIDA Counsel.

### **Other**

Unless specifically outlined in this policy, the applicant will be responsible for complying with all other rules and regulations as set forth in the LCIDA's Policies and Procedures.

The financial terms of this policy are valid for a period not to exceed two years from the date of adoption. The LCIDA Board of Directors will review and approve any changes to these terms prior to approving any new incentives after this two year period.

Policy approved: September 3, 2020