



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. Encourage renewable energy development that will reduce greenhouse gas emissions, spur economic growth and develop new energy business models. Renewable energy development should also occur with a focus on appropriate land use and current agricultural practices.
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. Create fair and equitable PILOT opportunity across taxing jurisdictions by offering a single countywide tax exemption policy.

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.

It is recognized that each local municipality will have land use laws that guide project site approval. The LCIDA will ensure it is aware of permitting status prior to approval of a tax incentive agreement.

The LCIDA will provide notice to each taxing jurisdiction of a proposed project and include details on the tax incentive agreement. It is the taxing jurisdictions responsibility to provide written comments to the LCIDA regarding the proposed tax incentives and these comments will be included in a review and analysis of the project.

Solar development companies are encouraged to provide the opportunity for residences and businesses in the County to purchase locally produced energy, and evidence of this effort will be requested in annual project review.

The LCIDA will utilize the following standard incentive terms to guide tax incentives for individual solar projects. Final incentive agreements can vary from these terms on a case by case basis. 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 period up to twenty five (25) years. This period can be modified as technology changes or if NYS Public Service Commission guidance recommends. The annual payment in lieu of taxes (PILOT) will negotiated on a project by project basis up to an amount of \$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.

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.

This policy is subject to revision upon the LCIDA Board of Directors' approval. Review will occur at a minimum biennially. Revisions will be dated and distributed to all concerned municipalities.

Policy approved: February 7, 2019