



Howard County

Internal Memorandum

Subject: Testimony on Council Resolution No. 141-2021, a Resolution approving a Payment in Lieu of Taxes Agreement for SunEast Friendship ANEM Solar LLC and MHGH&S LLC

To: Lonnie Robbins, Chief Administrative Officer

From: Joshua Feldmark,
J. Feldmark

Date: August 30, 2021

Summary

Resolution 141-2021 supports approval of the terms and conditions of a Payment in Lieu of Taxes Agreement (PILOT) by and between Howard County, Maryland and SunEast Friendship ANEM Solar LLC (for personal property taxes) and MHGH&S LLC (for real property taxes).

Background

SunEast Friendship ANEM Solar LLC is building one of two solar arrays at this property (the other is covered in CR 140-2021). Our solar PILOTs are aimed at supporting the building of solar projects in Howard County as a component of our overall support for renewable energy and Howard County's fight against climate change. This project will be classified as an "aggregate net energy metering" (ANEM) project. ANEM projects allow government entities and non profits to purchase renewable energy generated in their communities. The project will generate approximately 2 MWAC and will cover 15 acres of the 83.2 acre property.

Fiscal Impact

To calculate the fiscal impact should the PILOT be approved, for real property tax we used an average of the taxes assessed over the last five years. This PILOT is for half the of the real property taxes for the first ten years and 25% for years 11-20. Therefore, the fiscal impact for real property taxes in this PILOT will be \$2166/year for the first ten years and \$1083/year for years 11-20. For personal property tax we are calculating zero financial impact for the first ten years because this project will not happen but for this agreement and therefore no personal property taxes would have been collected. While it is extremely difficult to estimate how much personal property tax would have been assessed, much less on the project ten years into the future, using current estimates of similar projects, we are assuming in years 11-20 this PILOT will generate \$9,700/year in personal property taxes for the County.