

Sayers, Margery

From: Baker, Kevin
Sent: Monday, November 1, 2021 2:54 PM
To: Sayers, Margery
Subject: FW: CR 140-2021 & CR 141-2021

For Related Documents.

From: John Miller <john.miller@chaberton.com>
Sent: Friday, October 29, 2021 5:17 PM
To: Walsh, Elizabeth <ewalsh@howardcountymd.gov>; Jones, Opel <ojones@howardcountymd.gov>; Rigby, Christiana <crigby@howardcountymd.gov>; Jung, Deb <djung@howardcountymd.gov>; Yungmann, David <dyungmann@howardcountymd.gov>
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Subject: CR 140-2021 & CR 141-2021

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Dear Members of the Council,

We thank you for the time and attention you have given to CR 140-2021 and CR 141-2021. We wanted to be able to summarize some of the salient points of the conversations we have been having with you all.

- Even with the proposed terms of the PILOT, our projects will still pay significant tax revenue to the County. Our estimates, which we shared with the auditor, show nearly a million dollars in tax contributions to the county over the life of the projects.
- If the PILOT as provided by County Administration is not approved by the Council, the project economics and cash flows will deteriorate, and the financial returns may fall below the necessary threshold for financing.
- The solar projects, once operating, will require minimum to no services from the County. There is no need for water or sewage services, traffic is non-existent, and the project does not introduce kids into the school system.
- Both the State of Maryland and Howard County have identified the importance of renewable energy to combat climate change, modernize the energy infrastructure, and improve air quality through replacing emission-producing electricity generation with clean & renewable generation. The County Administration had prepared this Tax Abatement to assist in meeting the County's climate & sustainability goals, and solar development is a key cog to meeting these goals.
- We are providing tangible benefits outside of the footprint of the solar array: a) We are improving storm water management, which will benefit water flow to adjacent parcels; b) we are planting over 3 acres of forest; and c) we are building a portion of a bike lane on Rt 144. We are also planting a pollinator friendly ground cover under the solar array, providing significant positive impacts on crop production to nearby farming activities. We feel that these additional tangible benefits listed are above and beyond what most tax paying institutions provide.
- Solar facilities have very high upfront capital costs, but virtually no ongoing operational activity. The tax code disproportionately penalizes such facilities, while operations that have little capital cost upfront with heavy operational activity contribute very little to the county revenue while paradoxically requiring more services.
- Our projects will provide discounted electric rates to the benefit of many Howard County residents and a few key regional institutions, such as the Owen Brown Interfaith Center in Columbia.
- We based our business case assumptions upon the fact that Howard County previously provided a tax abatement to the early phases of the Nixon Farms solar project, in 2014 (CR 90-2014), and again approved in

2018 (CR 11-2018). Also, examples of other PILOTs in the region, such as Washington and Kent County, have similar terms to the ones in this PILOT, so, again, such assumptions were based on precedents set in the State. Jurisdictions in other states that have been doing solar for longer periods of time, such as New York, also routinely issue PILOTs along the terms of the PILOT discussed here.

We appreciate the attention you have given to C140 & CR 141, and we hope that you will continue to support a clean energy economy in Howard County.

Regards,

John Lennon Miller



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