

County Council Of Howard County, Maryland

2021 Legislative Session

Legislative Day No. 15

Resolution No. 140-2021

Introduced by: The Chairperson at the request of the County Executive

A RESOLUTION approving the terms and conditions of a Payment in Lieu of Taxes Agreement by and between the Howard County, Maryland and SunEast Friendship Solar LLC and MHGH&S, LLC for the generation of electricity on property located at 13300 Frederick Road, West Friendship.

Introduced and read first time \_\_\_\_\_, 2021.

By order \_\_\_\_\_  
Michelle Harrod, Administrator

Read for a second time at a public hearing on \_\_\_\_\_, 2021.

By order \_\_\_\_\_  
Michelle Harrod, Administrator

This Resolution was read the third time and was Adopted \_\_\_\_, Adopted with amendments \_\_\_\_, Failed \_\_\_\_, Withdrawn \_\_\_\_, by the County Council on \_\_\_\_\_, 2021.

Certified By \_\_\_\_\_  
Michelle Harrod, Administrator

Approved by the County Executive \_\_\_\_\_, 2021

\_\_\_\_\_  
Calvin Ball, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment

1           **WHEREAS**, SunEast Friendship Solar LLC is a Delaware limited liability company  
2 authorized to business in Maryland, that engages in the solar generation of energy (the “Facility  
3 Owner”); and  
4

5           **WHEREAS**, MHGH&S, LLC (the “Landowner”), is a Maryland limited liability  
6 company that owns, in fee simple, a parcel of real property in Howard County at 13300  
7 Frederick Road in West Friendship, MD 21794, totaling approximately 83.2 acres, described in  
8 the deed dated May 12, 1997 and recorded in the Land Records of Howard County at liber 3999,  
9 folio 0580 (the “Property”); and  
10

11           **WHEREAS**, the County has established policies to support the implementation of  
12 renewal energy projects located in Howard County; and  
13

14           **WHEREAS**, the Facility Owner has entered into a Lease Agreement with the Landowner  
15 for a portion of the Property and the Facility Owner is or will be the owner of certain personal  
16 property located on the Property that will be used for the solar generation of electricity (the  
17 “Project”); and  
18

19           **WHEREAS**, under the Lease Agreement, the Facility Owner expects to use a portion of  
20 the Property for the Project; and  
21

22           **WHEREAS**, the Facility Owner has requested that the County permit the Facility Owner  
23 to make payments in lieu of any County real and personal property taxes pursuant to Section 7-  
24 514 of the Tax-Property Article of the Annotated Code of Maryland; and  
25

26           **WHEREAS**, the Facility Owner has demonstrated to the County that an agreement for  
27 payments in lieu of taxes is necessary to make the Project economically feasible; and  
28

29           **WHEREAS**, in order to enable the Facility Owner to use the Property for the solar  
30 generation of electricity and to meet the County’s goals, it is in the interest of the County to  
31 accept payments in lieu of County real and personal property taxes subject to the terms and

1 conditions of the Payment in Lieu of Taxes Agreement (the "Agreement") attached to this  
2 Resolution as "Exhibit 1".  
3

4 **NOW, THEREFORE, BE IT RESOLVED** by the County Council of Howard County,  
5 Maryland this \_\_\_\_ day of \_\_\_\_\_, 2021, that:

- 6 (1) In accordance with Section 7-514 of the Tax-Property Article of the Annotated Code of  
7 Maryland, the County shall abate all County real and personal property taxes for the  
8 Property subject to the terms and conditions of the Payment in Lieu of Taxes Agreement  
9 (the "Agreement") attached to this Resolution as "Exhibit 1".
- 10 (2) The County Executive is hereby authorized to execute and deliver the Agreement in the  
11 name and on behalf of the County in substantially the form attached.
- 12 (3) The County Executive, prior to execution and delivery of the Agreement, may make such  
13 changes or modifications to the Agreement as he deems appropriate in order to  
14 accomplish the purpose of the transactions authorized by this Resolution, provided that  
15 such changes or modifications shall be within the scope of the transactions authorized by  
16 this Resolution; and the execution of the Agreement by the County Executive shall be  
17 conclusive evidence of the approval by the County Executive of all changes or  
18 modifications to the Agreement, and the Agreement shall thereupon become binding  
19 upon the County in accordance with its terms.

**Exhibit 1**

Project: Friendship Community  
Solar - Howard County  
Solar Project

**PAYMENT IN LIEU OF TAXES AGREEMENT**

**THIS PAYMENT IN LIEU OF TAXES AGREEMENT** (this "PILOT Agreement") is made this \_\_\_ day of \_\_\_\_\_, 2021 (the "Effective Date"), by and among **HOWARD COUNTY, MARYLAND**, a body corporate and politic of the State of Maryland (the "County") on the one hand, and **SunEast Friendship Solar LLC**, a Delaware limited liability company authorized to do business in Maryland, with offices at 11900 Parklawn Drive, Suite 406, North Bethesda, MD 20852 (the "Facility Owner"), and **MHGH&S, L.L.C.**, a Maryland limited liability company, with its principal office at 13370 Route 114, West Friendship, MD 21794 (the "Landowner") on the other hand. Each of the County, the Facility Owner and the Landowner are a "Party" and, collectively, the "Parties".

**RECITALS**

A. The County has established policies to support the implementation of renewable energy projects located in Howard County.

B. The Facility Owner has entered into a Lease Agreement (the "Lease Agreement") with the Landowner, the owner in fee simple of that parcel of real property in the County at 13300 Frederick Road in West Friendship, MD 21794, totaling approximately 83.2 acres, described in the deed dated May 12, 1997, liber 3999, folio 0580 (the "Property"), to lease a portion of the Property.

C. The Facility Owner is or will be the owner of certain personal property located on the Property (the "Personal Property") that will be used for the solar generation of electricity (the "Project").

D. The Facility Owner has requested that the County permit the Facility Owner to make payments in lieu of any County real and personal property taxes pursuant to Section 7-514 of the Tax-Property Article of the *Annotated Code of Maryland* (the "Act"). Section 7-514 of the Act authorizes the County to agree to such payment in lieu of Property Taxes, as set forth below:

(a) *Agreement with owner of facility for generation of electricity.*

- (1) The governing body of a county or municipal corporation may enter into an agreement with the owner of a facility for the generation of electricity that is located or locates in the county or municipal corporation for a negotiated payment by the owner in lieu of taxes on the facility.

- (2) An agreement for a negotiated payment in lieu of taxes under this section shall provide that, for the term specified in the agreement:
  - (i) The owner shall pay to the county or municipal corporation a specified amount each year in lieu of the payment of county or municipal corporation real and personal property tax; and
  - (ii) all or a specified part of the real and personal property at the facility shall be exempt from county or municipal corporation property tax for the term of the agreement.

F. The County Council of Howard County, Maryland approved the form of this PILOT Agreement by Resolution (CR\_\_-2021), dated \_\_\_\_\_, 2021, a copy of which is attached hereto as Exhibit "A".

**NOW, THEREFORE**, in consideration of the premises and the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County, the Facility Owner, and the Landowner agree as follows:

1. Abatement of County Real Property Taxes for Solar Generation of Electricity.

- (a) From the Commercial Operations Date (as defined herein) and continuing for twenty (20) years, the County Real Property taxes imposed on the Property shall be exempted as follows:
  - (i) From the Commercial Operations Date through ten years (10) from the Commercial Operations Date, 50% of County Real Property taxes shall be exempt, upon the condition that the Landowner pay to the County \$1 per year in lieu of such exempted taxes; and
  - (ii) For years eleven (11) through twenty (20) after the Commercial Operations Date, 25% of County Real Property taxes shall be exempt, upon the condition that the Landowner pay to the County \$1 per year in lieu of such exempted taxes.
- (b) The Landowner shall continue to be obligated for, and pay to the County, the full amount of any County fire tax, front foot benefit assessment charge, ad valorem charge, and any other charges that may appear on the Property's Real Property tax bill (the "County Assessments") as they become due on the Property;
- (c) Any exemption under Section 1(a) above applicable to less than a full taxable year shall be prorated on a per diem basis;
- (d) For purposes of this Agreement "Commercial Operations Date" shall mean the

date on which the Project generates electric energy on a commercial basis, and the interconnection to the contracted local electric utility's electric grid has been authorized and is functioning in accord with all standards required by the utility.

2. Abatement of County Personal Property Taxes for Solar Generation of Electricity.

(a) From the Effective Date and continuing for a period of twenty (20) years from the Commercial Operations Date, the Personal Property taxes imposed on the Facility Owner, based on an assessment of the Personal Property located at the Project and used to generate and deliver electricity, shall be exempted as follows:

(i) From the Commercial Operations Date through ten years (10), 100% of County personal property taxes for the Personal Property shall be exempt, upon the condition that the Facility Owner pay to the County \$1 per year in lieu of such taxes; and

(ii) For years eleven (11) through twenty (20) after the Commercial Operations Date, 50% of County personal property taxes for the Personal Property shall be exempt, upon the condition that the Facility Owner pay to the County \$1 per year in lieu of such exempted taxes.

(b) The exemptions are contingent on the following:

(i) The Facility Owner must submit all required personal property tax returns to the Maryland State Department of Assessment and Taxation. The Personal Property tax abatement shall then be applied by the County.

(ii) The Facility Owner must remain in good standing with the Maryland Department of Assessments and Taxation and pay any and all other County fees and assessment, and must submit an annual report to the County by July 31 of each year that details the operations of the Facility, including the amount of electricity generated during the preceding fiscal year, which begins on July 1 and ends on June 30.

(c) The exemptions under Section 2(a) above applicable to less than a full taxable year shall be prorated on a per diem basis.

3. Representations and Warranties.

(a) The County represents and warrants to the Facility Owner that it has the authority to abate the County Real Property and Personal Property Taxes for property located in Howard County.

(b) The Landowner represents and warrants to the County that it is eligible in all

respects to enter into this PILOT Agreement.

- (c) The Facility Owner represents and warrants to the County that it is eligible in all respects to enter into this PILOT Agreement and to make payments in lieu of taxes under the Act.
- (d) The Facility Owner, will develop, construct, and provide for the operation of the Project, at full buildout, which will generate up to 2 MWAC.
- (e) The Facility Owner covenants and agrees that it will do all things necessary to remain eligible to make payments in lieu of taxes in accordance with the Act.

4. Term of Agreement.

- (a) This Agreement shall remain in effect until the earlier to occur of:
  - (i) the expiration of twenty (20) years from the Commercial Operations Date;
  - (ii) the date on which the Landowner ceases to be the fee simple owner of the Property;
  - (iii) the date on which the Facility Owner ceases operation of the Project;
  - (iv) any default by the Landowner or Facility Owner under this PILOT Agreement, which shall include but is not limited to the failure of the Facility Owner or Landowner to pay the County for any amounts due under this PILOT Agreement;
- (b) The County may terminate this Agreement for its convenience if at any time the County determines that such termination is in the best interest of the County. In the event of such termination, any exemption applicable to less than a full taxable year shall be prorated on a per diem basis up to the date of termination.

5. State Taxes. The Landowner acknowledges and agrees that it shall pay all State real property taxes due with respect to the Property.

6. Assignment. This Agreement may not be assigned without the prior written approval of the County, such approval not to be unreasonably withheld or delayed.

7. Entire Agreement. This PILOT Agreement represents the entire understanding and agreement of the Parties.

[Signature pages follow]

**IN WITNESS WHEREOF**, the County, the Facility Owner, and the Landowner by their duly authorized representatives have signed this Agreement as of the date first written above.

**WITNESS/ATTEST:**

\_\_\_\_\_  
Name:

**WITNESS/ATTEST:**

\_\_\_\_\_  
Name:

**FACILITY OWNER:**

**SunEast Friendship Solar LLC**

By: \_\_\_\_\_  
Name:

**LANDOWNER:**

**MHGH&S, L.L.C.**

By: \_\_\_\_\_  
Name:



**ATTEST:**

**HOWARD COUNTY, MARYLAND**

\_\_\_\_\_  
Lonnie Robbins  
Chief Administrative Officer

By: \_\_\_\_\_  
Calvin Ball  
County Executive  
Date: \_\_\_\_\_

**APPROVED** for Form and Legal  
Sufficiency this \_\_\_\_\_ day  
of \_\_\_\_\_, 202\_

**APPROVED** by Department of Finance:

\_\_\_\_\_  
Gary W. Kuc  
County Solicitor

\_\_\_\_\_  
Rafiu Ighile, Director

Reviewing Attorney:

\_\_\_\_\_  
Kristen Bowen Perry  
Deputy County Solicitor

[Notaries continue on the following pages.]

**STATE OF MARYLAND, HOWARD COUNTY, TO WIT:**

**I HEREBY CERTIFY** that on this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_, before me, the subscriber, a Notary Public of the State of Maryland, in and for the County aforesaid, personally appeared \_\_\_\_\_, and [s/he] acknowledged that [s/he] executed the Payment in Lieu of Taxes Agreement for the purposes therein contained, and [s/he] further acknowledged the same to be the [his/her] act [on behalf of if corporate owner].

**AS WITNESS** my Hand and Notarial Seal:

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

**STATE OF MARYLAND, HOWARD COUNTY, TO WIT:**


**I HEREBY CERTIFY** that on this \_\_\_\_ day of \_\_\_\_\_, 202\_\_, before me, the subscriber, a Notary Public of the State of Maryland, in and for the County aforesaid, personally appeared \_\_\_\_\_, and [s/he] acknowledged that [s/he] executed the Payment in Lieu of Taxes Agreement for the purposes therein contained, and [s/he] further acknowledged the same to be the [his/her] act [on behalf of if corporate owner].

**AS WITNESS** my Hand and Notarial Seal:

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public



**STATE OF MARYLAND, HOWARD COUNTY, TO WIT:**

**I HEREBY CERTIFY** that on this \_\_\_\_\_ day of \_\_\_\_\_, 2017, before me, the subscriber, a Notary Public of the State of Maryland, in and for the County aforesaid, personally appeared **Calvin Ball**, the County Executive of Howard County, Maryland, and he acknowledged that he executed the Payment in Lieu of Taxes Agreement for the purposes therein contained, and further acknowledged the same to be the act of Howard County, Maryland.

**AS WITNESS** my Hand and Notarial Seal:

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

**I CERTIFY THAT:**

- (a) I am an attorney admitted to practice before the Court of Appeals of Maryland; and
- (b) I prepared the foregoing Payment in Lieu of Taxes Agreement.

\_\_\_\_\_  
Kristen Bowen Perry

**Exhibit A**

Council Resolution No. \_\_\_\_\_

**Office of the County Auditor**  
**Auditor's Analysis - REVISED**

**Council Resolution No. 140-2021**

Introduced: September 8, 2021

Auditors: Owen Clark and Michael A. Martin

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Fiscal Impact:

Our Office was able to estimate that the fiscal impact of this legislation is a property tax abatement of approximately \$548,000 over the 20-year term of the agreement. Details regarding this analysis are outlined in the table below.

<b>Total Tax Abatement</b>			
<b>Years</b>	<b>Real Property Taxes (1)</b>	<b>Personal Property Taxes (2)</b>	<b>Total</b>
1 - 10	\$ 24,541	\$ 391,000	\$ 415,541
11 - 20	13,125	119,000	132,125
	<b>\$ 37,666</b>	<b>\$ 510,000</b>	<b>\$ 547,666</b>

(1) Source: SDAT real property tax assessments and an assumed 2 percent appreciation every three years.  
(2) Source: Project Pro-Forma

**NOTE:** Our Office has an open inquiry with the State of Maryland's Department of Taxation and Assessments (SDAT) related to the potential impact a newly operating solar facility may have on a parcel's next real property tax assessment, as well as its impact on SDAT's designated "use" of the associated parcel.

Purpose:

This legislation would allow for SunEast Friendship Solar LLC (facility owner) and MHGH&S, LLC (landowner), to enter into a payment in lieu of taxes (PILOT) agreement with the County for the generation of electricity on property owned by MHGH&S, LLC. The facility associated with this legislation is planned to be a Community Solar program that allows utility customers to receive a credit on their electric bill by subscribing to an off-site solar project.

The terms of the PILOT agreement are as follows:

- Years 1 - 10:
  - The landowner will be exempt from paying 50 percent of the County's real property taxes on the condition the landowner pay the County \$1 per year in lieu of exempted taxes.
  - The facility owner will be exempt from paying 100 percent of the County's personal property taxes on the condition the facility owner pay the County \$1 per year in lieu of exempted taxes.

- Years 11 - 20:
  - The landowner will be exempt from paying 25 percent of the County's real property taxes on the condition the landowner pay the County \$1 per year in lieu of exempted taxes.
  - The facility owner will be exempt from paying 50 percent of the County's personal property taxes on the condition the facility owner pay the County \$1 per year in lieu of exempted taxes.

**NOTE:** Because this is one of two projects on the same property (the other project's PILOT being requested in Council Resolution 141-2021), the landowner will receive a 100 percent abatement of real property taxes years 1-10, and 50 percent abatement in years 11-20.

Other Comments:

SunEast Friendship Solar LLC is building one of two solar arrays at this property. The other solar array is covered under CR141-2021. Each solar array is planned to be 15 acres, occupying a total of 30 acres on the existing 83-acre parcel. As noted above, the landowner will have all of their real property taxes abated for the term of these agreements if CR140-2021 and CR141-2021 were to pass.

The solar developer has indicated that this PILOT agreement is included in the project's financial projections and the rate of return required by their investor. Our Office reviewed these financial projections and noted that the project anticipates positive net cash flows with and without this PILOT agreement.

Unlike the Housing PILOTs, which provide affordable housing to residents of the County, this community solar project is planned to also provide solar power to residents in surrounding Counties that are served by Baltimore Gas and Electric Company. Therefore, County tax abatements will be benefiting non-County residents.

We also determined that of the surrounding Counties, only Anne Arundel has a Solar PILOT. However, the solar facility in that case participates in a power purchase agreement that provides power exclusively to Anne Arundel County's Board Of Education, the City of Annapolis, and the Anne Arundel County government.

Existing tax incentives for the development and operation of solar facilities include:

- A 50 percent reduction of the assessed value of machinery or equipment used to generate electricity for sale that is subject to County property tax, § 7-237(b) of the Maryland Tax-Property Article, and
- A Federal Business Energy Investment Tax Credit that is currently equivalent to 26 percent of the tax basis of a solar project.

**Office of the County Auditor**  
**Auditor's Analysis – REVISED November 1, 2021**

**Council Resolution No. 140-2021**

Introduced: September 8, 2021

Auditors: Owen Clark and Michael A. Martin

Fiscal Impact:

Our Office was able to estimate that the fiscal impact of this legislation is a property tax abatement of approximately \$548,000 over the 20-year term of the agreement. Details regarding this analysis are outlined in the table below. See note regarding real property taxes below.

Total Tax Abatement			
Years	Real Property Taxes (1)	Personal Property Taxes (2)	Total
1 - 10	\$ 24,541	\$ 391,000	\$ 415,541
11 - 20	13,125	119,000	132,125
	<b>\$ 37,666</b>	<b>\$ 510,000</b>	<b>\$ 547,666</b>

(1) Source: SDAT real property tax assessments and an assumed 2 percent appreciation every three years.  
 (2) Source: Project Pro-Forma

**NOTE:** The State of Maryland's Department of Assessments and Taxation (SDAT) has indicated that real property used by a solar farm will be assessed as commercial property and an existing agricultural use will be removed according to real property procedures. Also, the solar developer has indicated that the project will absorb any tax increase that results from an increased real property tax assessment due to the solar facility's presence on the parcel.

Purpose:

This legislation would allow for SunEast Friendship Solar LLC (facility owner) and MHGH&S, LLC (landowner), to enter into a payment in lieu of taxes (PILOT) agreement with the County for the generation of electricity on property owned by MHGH&S, LLC. The facility associated with this legislation is planned to be a Community Solar program that allows utility customers to receive a credit on their electric bill by subscribing to an off-site solar project.

The terms of the PILOT agreement are as follows:

- Years 1 - 10:
  - The landowner will be exempt from paying 50 percent of the County's real property taxes on the condition the landowner pay the County \$1 per year in lieu of exempted taxes.
  - The facility owner will be exempt from paying 100 percent of the County's personal property taxes on the condition the facility owner pay the County \$1 per year in lieu of exempted taxes.



- Years 11 - 20:
  - The landowner will be exempt from paying 25 percent of the County's real property taxes on the condition the landowner pay the County \$1 per year in lieu of exempted taxes.
  - The facility owner will be exempt from paying 50 percent of the County's personal property taxes on the condition the facility owner pay the County \$1 per year in lieu of exempted taxes.

**NOTE:** Because this is one of two projects on the same property (the other project's PILOT being requested in Council Resolution 141-2021), the landowner will receive a 100 percent abatement of real property taxes years 1-10, and 50 percent abatement in years 11-20.

Other Comments:

SunEast Friendship Solar LLC is building one of two solar arrays at this property. The other solar array is covered under CR141-2021. Each solar array is planned to be 15 acres, occupying a total of 30 acres on the existing 83-acre parcel. As noted above, the landowner will have all of their real property taxes abated for the term of these agreements if CR140-2021 and CR141-2021 were to pass.

The solar developer has indicated that this PILOT agreement is included in the project's financial projections and the rate of return required by their investor. Our Office reviewed these financial projections and noted that the project anticipates positive net cash flows with and without this PILOT agreement.

Unlike the Housing PILOTs, which provide affordable housing to residents of the County, this community solar project is planned to also provide solar power to residents in surrounding Counties that are served by Baltimore Gas and Electric Company. Therefore, County tax abatements will be benefiting non-County residents.

We also determined that of the surrounding Counties, only Anne Arundel has a Solar PILOT. However, the solar facility in that case participates in a power purchase agreement that provides power exclusively to Anne Arundel County's Board Of Education, the City of Annapolis, and the Anne Arundel County government.

Existing tax incentives for the development and operation of solar facilities include:

- A 50 percent reduction of the assessed value of machinery or equipment used to generate electricity for sale that is subject to County property tax, § 7-237(b) of the Maryland Tax-Property Article, and
- A Federal Business Energy Investment Tax Credit that is currently equivalent to 26 percent of the tax basis of a solar project.

**Sayers, Margery**

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**From:** Baker, Kevin  
**Sent:** Monday, December 6, 2021 4:07 PM  
**To:** Sayers, Margery  
**Subject:** FW: CR-140 & CR-141- Follow Up

For Related Documents under CR140 + 141.

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**From:** John Miller <john.miller@chaberton.com>  
**Sent:** Monday, December 6, 2021 3:42 PM  
**To:** Walsh, Elizabeth <ewalsh@howardcountymd.gov>  
**Cc:** Stefano Ratti <Stefano@chaberton.com>  
**Subject:** CR-140 & CR-141- Follow Up

Dear Council Member Walsh,

Thank you for the consideration you have given CR 140-2021 and CR 141-2021, and the overall PILOT model for solar energy facilities. Prior to this evening's meeting, we would like to provide a few additional thoughts.

- 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. Support for the PILOT is direct support for the environmental benefits these projects provide.
- We have spoken to several residents & organizations located in Howard County who have expressed their support in promoting renewable energy, specifically solar, in the County, and would like to see solar projects be successful.
- Howard County has committed to being a Bee-City by promoting pollinators in the County. Specifically, Howard County has set an objective to increase pollinator habitat on public and private land. If granted the PILOT, we will commit to coordinating with the County to include our solar area (approximately 24 acres), to qualify those acres under the Bee City Program, thus allowing Howard County to significantly exceed its goals under the Program. Furthermore, the location of the solar projects being directly adjacent to the agricultural field of our property owner, as well as several other adjacent agricultural properties, mean our pollinator habitat will be placed in a crucial location to provide gains in agricultural production. By supporting CR 140 and CR-141, and supporting solar development in general, the Council will be directly lending its support to increasing pollinator habitat in the County and the goals of the Bee City program.
- We would also like to note the following, with respect to some of the questions that have previously been raised:
  - *On the question of company financials.* As project financials show, solar energy development is not a highly profitable business, especially compared to retail or technology companies. Indeed, many solar companies are benefit corporations, non-profits, or operate with a component of environmental/social benefit built-in. Solar developers also put a significant amount of capital into projects that, for various reasons, do not come to fruition. This aspect is not even captured at the level of the project financials.
  - *On the question of why PILOT discussions occur at a late stage in the development process.* We must sign offtake contracts while projects get developed, otherwise, if we did everything in series, it would take too much time to get a project through development and into operations. Projects sometimes fail due to a multitude of potential reasons, and thus early-stage projects should not be put in front of the County too early, or the council would risk spending a lot of time on projects that are unsure to move forward. Also, we would have liked to get in front of the County several months earlier, but we were postponed several times to be presented with other projects and through this standard PILOT contract.

- *On the question of why we assumed that the PILOT would be in place in the project financials. 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).*

We look forward to working with the Council and delivering a solar project which brings all the benefits outlined above.

**John Lennon Miller**



Director of Development  
Chaberton Energy  
11900 Parklawn Drive, Suite 406  
North Bethesda, MD 20852  
+1-973-907-0058  
[www.chaberton.com](http://www.chaberton.com)

CR 140-2021

**Sayers, Margery**

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**From:** Robin Hessey <rmhessey@gmail.com>  
**Sent:** Wednesday, November 24, 2021 7:39 PM  
**To:** CouncilMail  
**Subject:** Support for solar project tax abatement - CR 140-2021 & CR 141-2021.

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Dear Members of the Howard County Council,

From Robin Hessey, District 4 resident,

I would like to ask the Council to support the proposed tax abatement for solar energy projects, CR 140-2021 & CR 141-2021, to encourage and promote solar energy projects in Howard County. As one of the subscribers to the electricity generated by one of the projects currently under consideration, I will receive direct benefit in the form of savings off of my electric bill. Not only do I save money, but I am decreasing my carbon footprint as I support local climate solutions, sustainability and jobs. In addition, the interfaith center where I worship was also able to subscribe with Neighborhood Sun, thus saving a substantial amount on electricity. We had to wait about a year to subscribe because there are so few solar projects available.

However, in addition to the savings, we are excited about the benefits that are created by the solar project, including significant environmental benefits stemming from the reduction in CO2 emissions and the opportunity to source electricity generated locally to Howard County. We support the efforts of Howard County to advance renewable energy locally and ask the Council to do so as well.

Solar projects have similar building costs as large commercial buildings, but they do not require the same County services – they require no

sewer, water, schools, fire or police services. It only makes sense to support the proposed tax abatement for these projects.

Sincerely,

Robin Hessey  
10768 McGregor Drive  
Columbia, MD 21044

**Sayers, Margery**

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**From:** Robin Hessey <rmhessey@gmail.com>  
**Sent:** Wednesday, December 1, 2021 4:44 PM  
**To:** CouncilMail  
**Subject:** CR140, CR141, CR142, and CR 143 take off the table and Vote YES Dec 6

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Dear Members of the Howard County Council,

I am writing to enlist your help in passing four bills (or resolutions) critical for the future of solar power development in Howard County.

CR140, CR141, CR142, and CR 143 all give partial tax breaks to specific projects being proposed in Howard County. It is also important to note that these projects will continue to pay various other Howard County taxes and this is absolutely not a full abatement of their real and personal property tax.

If Howard Co. is serious about sustainability and about decreasing our carbon footprint in the face of the climate change crisis, then we need to bring these resolutions off the table, consider them, and vote YES on each of them.

Sincerely,

Robin Hessey  
10768 McGregor Drive  
Columbia, MD 20144

**Sayers, Margery**

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**From:** Paige Getty <minister@uucolumbia.net>  
**Sent:** Sunday, December 5, 2021 9:27 PM  
**To:** CouncilMail  
**Subject:** Support for CR140, CR141, CR142, and CR143 (solar power in Howard County)

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Dear Council Chair Walsh, Council Vice-Chair Jones, and Councilmembers Jung, Yungmann, and Rigby:

Please remove Council Resolutions 140, 141, 142, and 143 from the table and vote to pass them, granting PILOTs to the properties affected by those resolutions.

I write to you as a resident of District 4 (I live in Hickory Ridge in Columbia) and as the lead minister of the Unitarian Universalist Congregation of Columbia (District 3), which is a co-owner of OBIC—the Owen Brown Interfaith Center, an anchor customer of the community solar project that would benefit from CR140.

We are the project's customer because we believe that we must do what is in our power to combat the climate crisis, and solar power is one of the key tools to do that. But government must do its part to level the playing field so that solar power can compete with the entrenched power of dirty fuel sources. And this minimal tax break is one step in the right direction.

We'll continue doing our part. Please do yours.

Thank you,  
Rev. Paige Getty

---

The Rev. Paige Getty, Minister  
she / her / hers  
Unitarian Universalist Congregation of Columbia  
7246 Cradlerock Way  
Columbia, Maryland 21045  
(410) 381-0097, ext. 101  
minister@uucolumbia.net

CR140-2021

**Sayers, Margery**

---

**From:** Jung, Deb  
**Sent:** Wednesday, November 10, 2021 11:49 AM  
**To:** Sayers, Margery  
**Subject:** FW: CR140-143

Testimony

**From:** Carl L <clatkin2000@gmail.com>  
**Sent:** Wednesday, November 10, 2021 11:47 AM  
**To:** Jung, Deb <djung@howardcountymd.gov>  
**Subject:** CR140-143

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Dear Council Member Jung,  
I strongly urge you to vote in favor of CR140, 141, 142, and 143. With unchecked climate change leading to a possible terrible future for our children and grandchildren, we need to act quickly. Please support these solar projects in Howard County.

Best regards,  
Carl Latkin  
6062 Red Clover Ln, Clarksville, MD 21029



CR 140-2021

**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>  
**Cc:** Stefano Ratti <Stefano@chaberton.com>; Royalty, Wendy <wroyalty@howardcountymd.gov>; Williams, China <ccwilliams@howardcountymd.gov>  
**Subject:** CR 140-2021 & CR 141-2021

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

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.

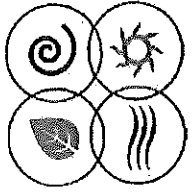
We appreciate the attention you have given to C140 & CR 141, and we hope that you will continue to support a clean energy economy in Howard County.

Regards,

**John Lennon Miller**



Director of Development  
Chaberton Energy  
11900 Parklawn Drive, Suite 406  
North Bethesda, MD 20852  
+1-973-907-0058  
[www.chaberton.com](http://www.chaberton.com)

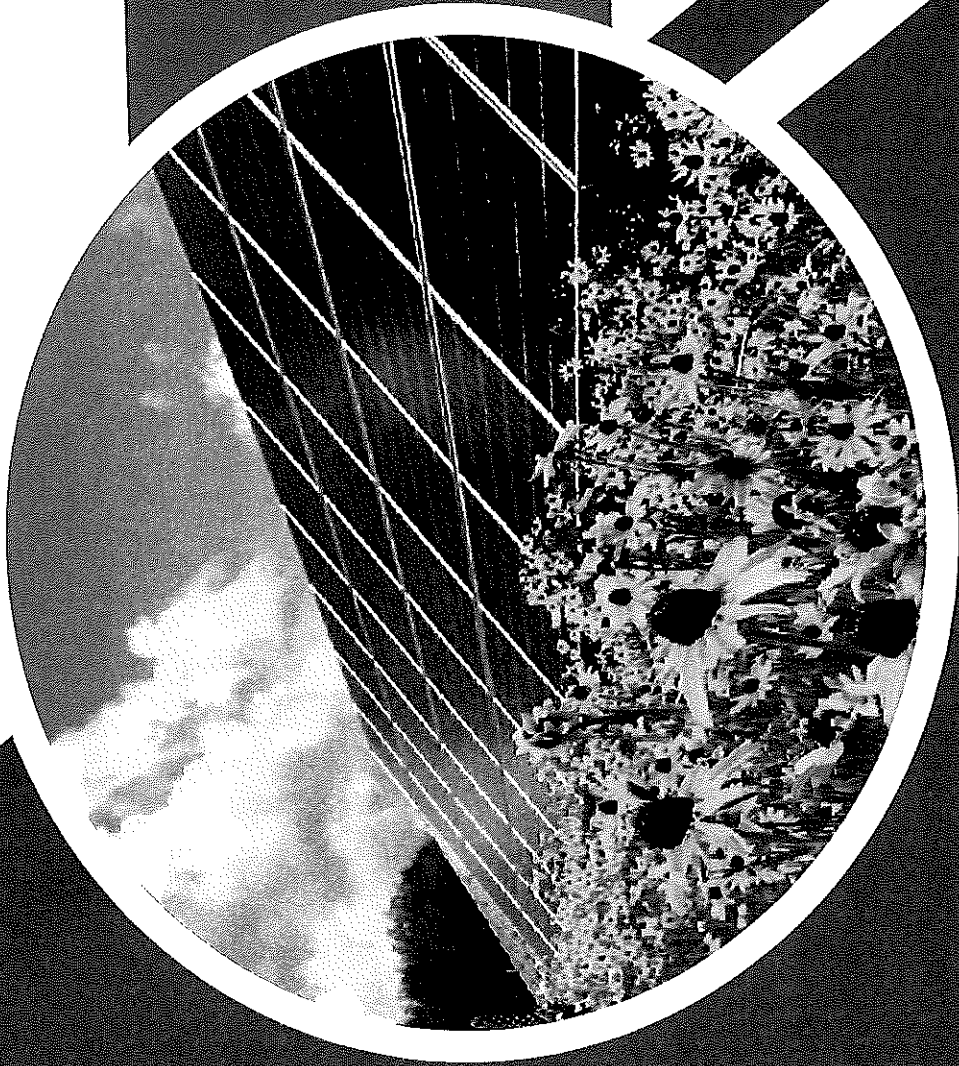


**CHABERTON**  
E N E R G Y

CR140-2021

**Project Friendship**

**Howard County Council**

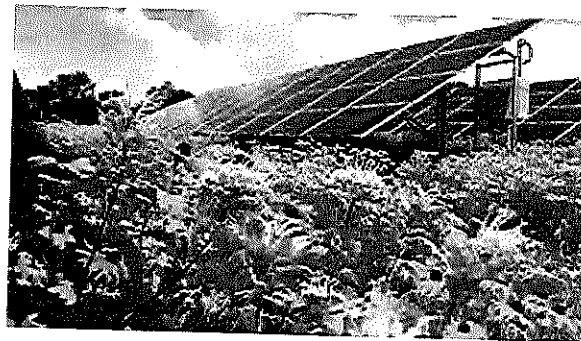
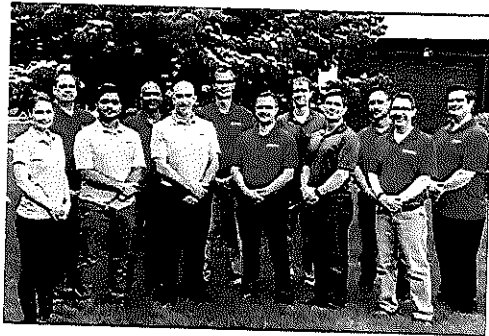


**September 2021**

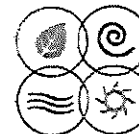
# Chaberton Energy Is a Leading Regional Developer



- We have a very experienced team, with a strong focus on the mid-Atlantic
- We work with a network of engineering firms, attorneys, financing partners, and other subject matter experts to enable project success; we work with local partners
- We develop projects from inception through construction, we work with customers and hosting partners to ensure we meet their needs and goals, we work with local jurisdictions to permit the projects, the local utility for the interconnection, we prepare the site and project plans, and we arrange financing
- Our portfolio is composed of community solar projects, aggregate net meter projects for institutional clients, and other PPA-based projects with commercial and industrial customers, focused on projects <10 MW, such as this one
- We have projects across the mid-Atlantic, with a particular focus on Maryland
- We are an affiliate of the Greenbacker Group, which has invested over \$1 Billion in renewable energy assets and owns and operates over 1 GW of renewable energy assets nationwide



# Project Overview



Our Friendship Project is a combination of two projects on the same parcel: a 2 MW<sub>AC</sub> Community Solar project and a 2 MW<sub>AC</sub> Aggregate Net Energy Meter (ANEM) project, located in West Friendship, MD.

The projects have received Conditional Use Approval from Howard County on December 23, 2020; final Site Development Approval is expected any day.

The projects will be able to generate approximately 10,000 MWh of clean renewable energy annually, with a DC/AC ratio of 1.56.

The projects as designed occupy ~24 acres; the overall parcel is 80+ acres and the balance of the parcel will remain in agriculture.

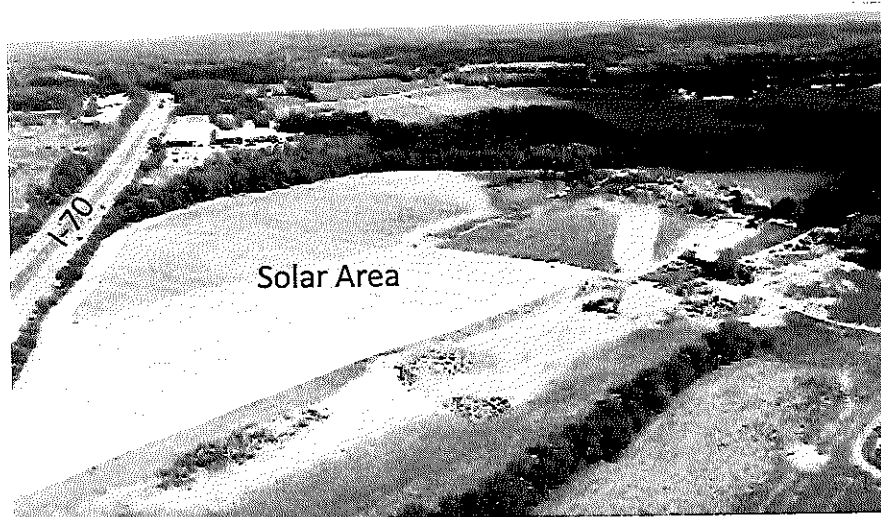
The projects will employ a solar-tracking technology whereby panels rotate on a N-S axis to follow the sun during the day.

The projects will have pollinator habitat on site, which will help productivity of the surrounding farms.

The projects were developed by SunEast Renewables in partnership with Maryland-based Chaberton Energy. Chaberton Energy then purchased the ownership of the projects from SunEast.

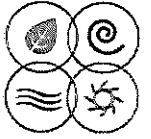
The energy output of the ANEM project will be utilized by a Maryland non-profit institution.

The energy output of the Community Solar project will be utilized by BG&E residential and commercial customers.

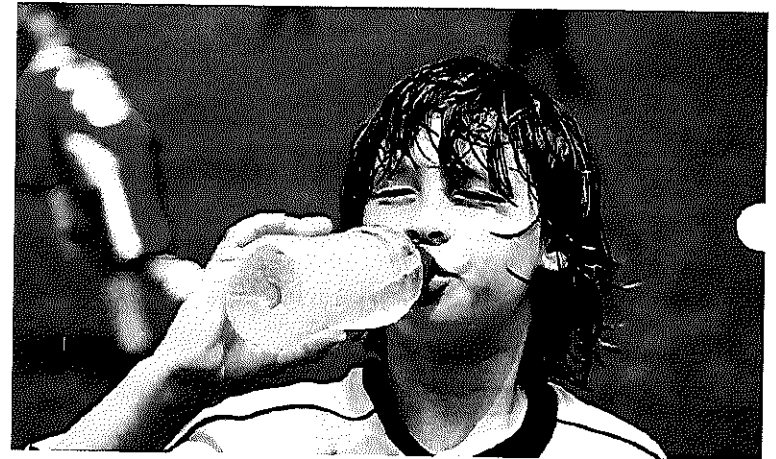


Friendship Project location

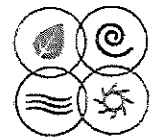
# Solar Energy Brings Benefits to Our Communities



- Good Neighbor
  - ✓ No noise or emissions
  - ✓ Essentially no traffic during operations
  - ✓ Virtually no use of public services
  - ✓ Solar system easily removed at the end of life, with land restored for any future use
  - ✓ No visual impact
- Local Economic Benefits
  - ✓ Provides reduction in electricity costs to local residents via the Community Solar Program
  - ✓ Reduction in electricity costs to local institutions via the Aggregate Net Energy Metering Program
  - ✓ Positive local economic activity during construction
  - ✓ Virtually no cost in new services to the County

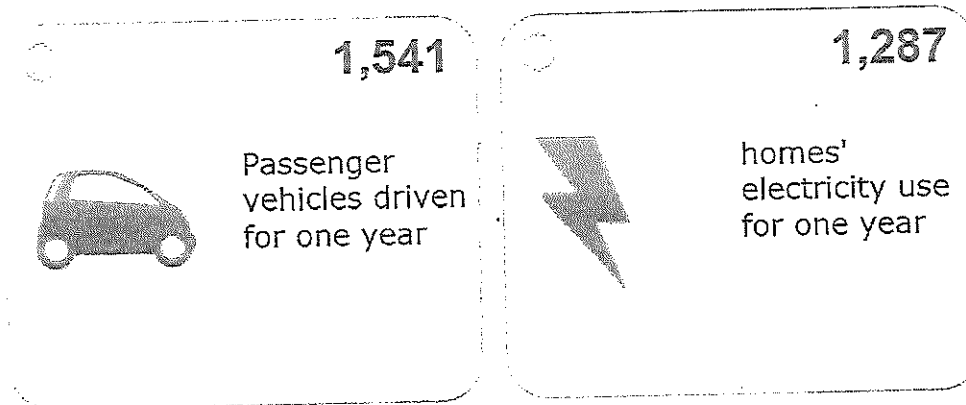


# Significant Environmental Benefits



The Project will generate clean, renewable electricity

- ✓ Reduces the use of high-pollution energy sources, increasing air quality, saving lives, reducing incidence of respiratory and cardiovascular diseases, and improving life quality
- ✓ Eliminates carbon emissions to the tune of ~7,000 tons of CO2 a year, equivalent to\*:

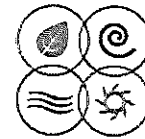


Increased stormwater management and lack of runoff or pollution will provide benefits to local waterways and the Chesapeake Bay

- ✓ No use of pesticides or other pollutants inside the solar array
- ✓ Planting of native & stable ground cover

\*Estimates based on EPA GHG Calculator. Actual results will vary.

# Pollinator Habitat Brings Significant Local Benefits



Pollinator friendly ground cover, per the guidelines from the Maryland Department of Natural Resources, will be planted on site.

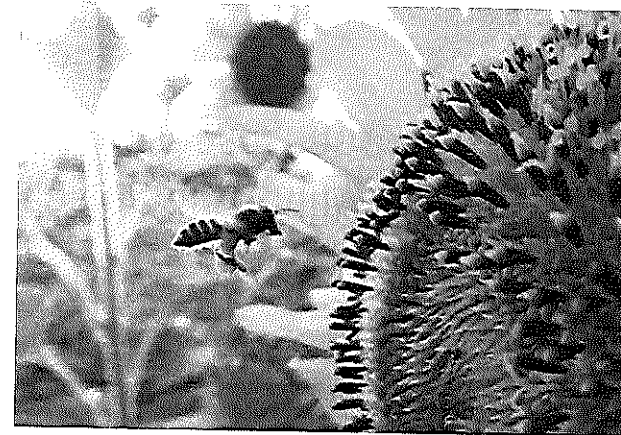
- ✓ Improves local crop pollination within a five-mile radius, which will increase yields and crop quality in this part of Howard County
- ✓ Over 75% of flowering plants need pollination
- ✓ A single bee colony can pollinate over 300 million flowers a day
- ✓ Pollinator habitat also works to stabilize the soil and improve water quality

Per the Maryland Department of Agriculture\*:

- ✓ Soybeans show an 18% higher yield and have heavier seeds when honeybees are present
- ✓ Green bean seed yields are 9% to 35% higher with bumble bees present
- ✓ Watermelons require at least 8 visits from pollinators for proper fruit set, and strawberries require at least 20 bee visits per receptacle
- ✓ Apple flowers are self-sterile and depend heavily on cross pollination by bees



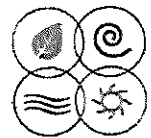
Pollinator benefits extend up to 5 miles, and are most pronounced within 2 miles



Source: Maryland Pollinator Protection Plan from the Maryland Department of Agriculture



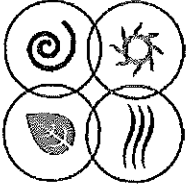
# Importance of PILOT Agreement for the Projects



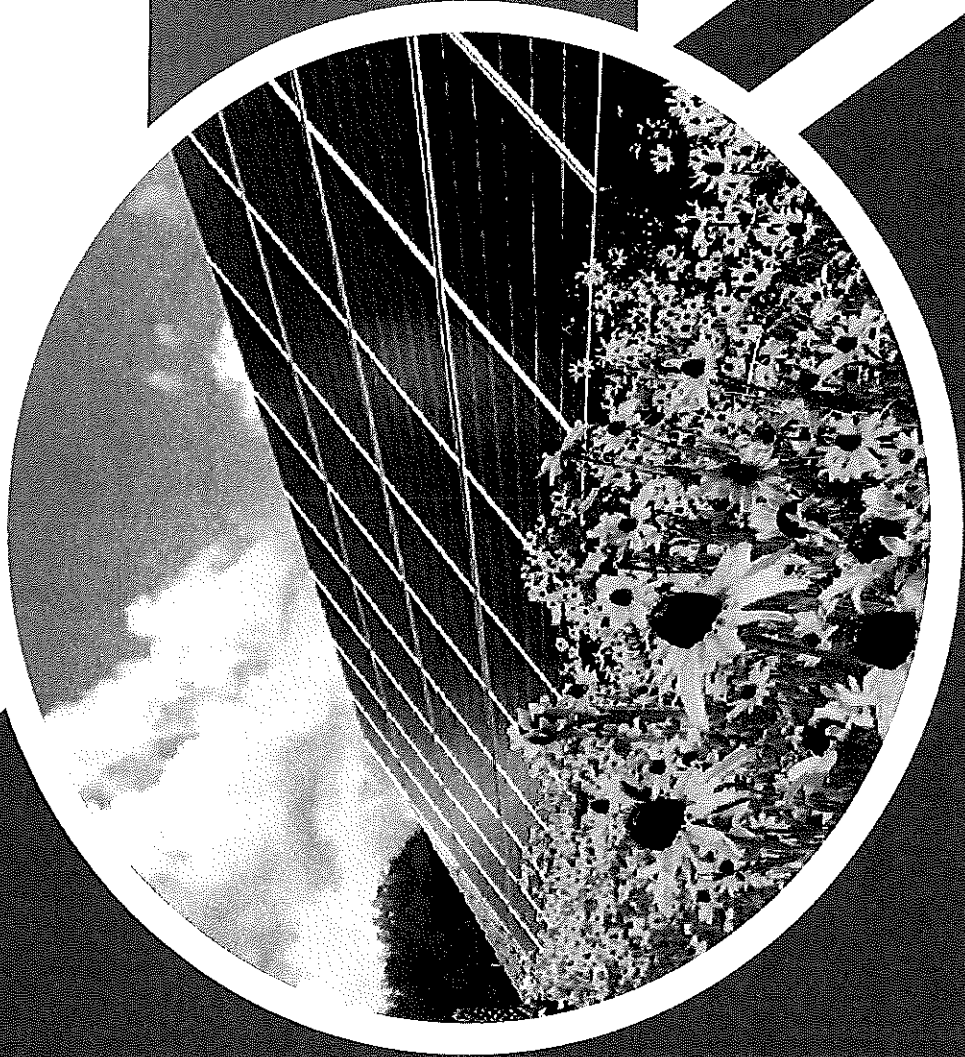
Howard County has a strong history of supporting renewable energy, via regulations and/or payments-in-lieu-of-taxes (“PILOT”) agreements

We have used the terms of this PILOT to secure financing for the projects; we have also offered customer rates and already signed binding agreements based on it

Reductions in the projects’ tax burden allow us to provide lower rates to customers in and around Howard County, and allow us to provide income to the landowner, which, in turn, helps them make their farming operations more viable on the balance of the property



**CHABERTON**  
ENERGY



Thank you



HOWARD COUNTY COUNCIL  
AFFIDAVIT OF AUTHORIZATION  
TO TESTIFY ON BEHALF OF AN ORGANIZATION

I, John Miller, have been duly authorized by  
*(name of individual)*

Chaberton Energy to deliver testimony to the  
*(name of nonprofit organization or government board, commission, or task force)*

County Council regarding Council Resolution 140-2021 to express the organization's  
*(bill or resolution number)*

support for / opposition to / request to amend this legislation.  
*(Please circle one.)*

Printed Name: John Miller

Signature: John Miller

Date: 9/17/2021

Organization: Chaberton Energy

Organization Address: 11900 Parkland Drive

11900 Parkland Drive

Number of Members: 20

Name of Chair/President: Stefano Ratti

*This form can be submitted electronically via email to [councilmail@howardcountymd.gov](mailto:councilmail@howardcountymd.gov) no later than 5pm the day of the Public Hearing or delivered in person the night of the Public Hearing before testifying.*



**HCCA**

**Howard County Citizens Association**

*Since 1961...*

*The Voice Of The People of Howard County*

Date: 20 September 2021

Subject: HCCA Testimony AGAINST CR140 - 143

My name is Stu Kohn and I reside in Laurel. I am the President of the Howard County Citizens Association, HCCA. We have major problems with CR140 thru 143 and request that the Council asks serious questions and receive satisfactory answers before you begin to think about voting on these Resolutions. They are as follows:

- What is the impetus of these Resolutions?
- We see that a Fiscal Impact Analysis was posted a few days ago and although not required because it is a Resolution is appreciated. We find it interesting that the Auditor's office has asked the "Office of Community Sustainability to provide additional background which omits estimates and assumptions so its fiscal impact data can be appropriately verified." They state they are "unsure whether the Administration's estimates noted above consider the \$1 payment for personal property and the \$1 payment for real property tax abatements due to the County each year." Furthermore, the Auditor's Office states, "They are unable to perform a similar analysis on the personal property tax abatements referenced in the Administration's testimony until additional information is obtained from the Office of Community Sustainability."

The HCCA strongly recommends that until such information is obtained because at this time is inconclusive these Resolutions should be tabled. We would hope the public should be permitted to testify when the Fiscal Impact Analysis has been completed.

- Why should the solar companies be given an incredible break in their Property Taxes? The Resolution states, "50% of County Real Property taxes shall be exempt, upon the condition that the Landowner pay the County \$1 per year in lieu of such exempted taxes; and for years eleven (11) through twenty (20) after the Commercial Operations Date, 25% of County Real Property taxes shall be exempt, upon the condition that the Landowner pay to the County \$1 per year in lieu of such exempted taxes"?

Please tell us why are we given away the farm? Why do the Facility Owner and Solar Company deserve a break today or in the future? Why is the County not given tax exemptions for a barber, hair stylist, grocery store owner, restaurants, or even me, etc.?

Is it fair that the Facility Owner will in addition to receiving Agricultural Preservation Funding when Solar is a commercial enterprise to replace land designated for Agricultural Preservation only to lease to Solar Companies and receives lower taxes because it's farmland? With these Resolutions they will pay \$1 a year instead of the already much lower taxes because it's a farm. How much is the County losing?

- Why should the Facility Owner be given a major break from the Commercial Operations Date through ten years (10), 100% of County personal property taxes for the Personal Property shall be exempt, upon the condition that the Facility Owner pay to the County \$1 per year in lieu of such taxes; and For years eleven (11) through twenty (20) after the Commercial Operations Date, 50% of County personal property taxes for the Personal Property shall be exempt, upon the condition that the Facility Owner pay to the County \$1 per year in lieu of such exempted taxes.
- What will be the County's formula for the Facility owner to have the County accept payments in lieu of real and personal property taxes as stated on Page 1 lines 29 thru 31?
- When will reimbursement be made by the property owner from the Agricultural Preservation Funding which they previously received and now they are being paid by the solar companies? We understand the County has invested approximately \$175 million dollars in Agricultural Preservation Program which is stellar, but it needs to be paid back now! Will you commit to ensuring that the number of acres supported by Solar on Agricultural Preservation land will immediately be paid back? You owe it to all the taxpayers and voters!

It is imperative the aforementioned questions be asked by you in the Work Session as you need to ascertain all the facts before your decision on these Resolutions. The answers to the proposed questions need to be most compelling as it is your obligation for the interest of all.



Stu Kohn  
HCCA President



HOWARD COUNTY COUNCIL  
AFFIDAVIT OF AUTHORIZATION  
TO TESTIFY ON BEHALF OF AN ORGANIZATION

I, Stu Kohn, have been duly authorized by  
*(name of individual)*

Howard County Citizens Association to deliver testimony to the  
*(name of nonprofit organization or government board, commission, or task force)*

County Council regarding CR140-143 to express the organization's  
*(bill or resolution number)*

support for / opposition to / request to amend this legislation.  
*(Please circle one.)*

Printed Name: Stu Kohn

Signature: \_\_\_\_\_

Date: 16 September 2021

Organization: Howard County Citizens Association

Organization Address: Ellicott City, MD. 21041

Ellicott City, MD. 21041

Number of Members: 500

Name of Chair/President: Stu Kohn

*This form can be submitted electronically via email to councilmail@howardcountymd.gov no later than 2 hours prior to the start of the Public Hearing.*