

**County Council of Howard County, Maryland**

2023 Legislative Session

Legislative Day No. 2

**Resolution No. 33 -2023**

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 Howard County; Chaberton Solar Lime Kiln LLC; and Jo-Ann Middleton, Katherine Robinson and Janet Srock, for the construction and operation of a solar array located on property located at 11959 Lime Kiln Road, Fulton, Howard County, Maryland.

Introduced and read first time Feb 6, 2023.  
By order Michelle Harrod  
Michelle Harrod, Administrator

Read for a second time at a public hearing on Feb 21, 2023.  
By order Michelle Harrod  
Michelle Harrod, Administrator

This Resolution was read the third time and was Adopted , Adopted with amendments\_\_\_, Failed\_\_\_, Withdrawn\_\_\_, by the County Council on March 6, 2023.

Approved by the County Executive March 9, 2023  
Certified By Michelle Harrod  
Michelle Harrod, Administrator  
Calvin Ball  
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**, the County has established policies to support the implementation of renewal  
2 energy projects located in Howard County; and

3  
4           **WHEREAS**, Jo-Ann Middleton, Katherine Robinson and Janet Srock, collectively, are the  
5 fee simple owners (the “Landowners”) of a parcel of real property also located at 11959 Lime Kiln  
6 Road, Fulton, Maryland, totaling approximately 56 acres, recorded among the land records in  
7 Howard County at Liber/Folio numbers 3514/182, 2562/0034, and 768/704, said lands being  
8 identified as Account Number 370817 and Map-Grid-Parcel Numbers 0046-0001-0102 (the  
9 “Property”); and

10  
11           **WHEREAS**, Chaberton Solar Lime Kiln LLC, a Delaware limited liability company  
12 authorized to do business in Maryland (the “Facility Owner”), has entered into a Lease Agreement  
13 with the Landowners for the Property; and

14  
15           **WHEREAS**, The Facility Owner is or will be the owner of certain personal property  
16 located on the Property (the “Personal Property”) that will be used for the solar generation of  
17 electricity (the “Project”) on the Property; and

18  
19           **WHEREAS**, in order to make the Project affordable, the Facility Owner has requested that  
20 the County permit the Facility Owner to make payments in lieu of any County real and personal  
21 property to Section 7-514 of the Tax-Property Article of the Annotated Code of Maryland; and

22  
23           **WHEREAS**, the Facility Owner has demonstrated to the County that an agreement for  
24 payments in lieu of taxes is necessary to make the Project economically feasible; and

25  
26           **WHEREAS**, in order to promote the generation of renewable energy, the County agrees  
27 to abate County real and personal property taxes, subject to the terms and conditions of the  
28 proposed Payment in Lieu of Taxes Agreement, attached to this Resolution as “Exhibit 1”.

29  
30           **NOW, THEREFORE, BE IT RESOLVED** by the County Council of Howard County,  
31 Maryland this 16 day of March, 2023, that:

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

Project: Lime Kiln 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 \_\_\_\_\_, 2023 (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 **CHABERTON SOLAR LIME KILN 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 **JO-ANN MIDDLETON**, an individual residing at 11957 Lime Kiln Road, Fulton, MD 20759, **KATHERINE ROBINSON**, an individual residing at 412 Paradise Road, Riva, MD 21140, and **JANET SROCK**, an individual residing at 402 Boulder Court, Richlands, NC 28754 (collectively 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 11959 Lime Kiln Road, Fulton, MD 20759, totaling approximately 56 acres, recorded among the land records in Howard County at Liber / Folio numbers 3514/182, 2562/0034, and 768/704, said lands being identified as Account Number 370817 and Map-Grid-Parcel Numbers 0046-0001-0102 (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.

E. The County Council of Howard County, Maryland approved the form of this PILOT Agreement by Resolution (CRXXX-202\_), dated \_\_\_\_\_, and approved by the County Executive on \_\_\_\_\_, 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 (such 20-year period commencing on the Commercial Operations Date, the "Agreement Period"), the County Real Property taxes imposed on the Property shall be exempted as follows:
  - (i) If 50% or more of the energy generated is subscribed to customers located in Howard County, the County shall exempt, upon the condition that the Landowner pay to the County \$1 per year in lieu of such exempted taxes:
    - 1. 50% of all real property taxes for the property in Years 1 through 10 of the Agreement Period;
    - 2. 25% of all real property taxes for the property in Years 11 through 20 of the Agreement Period;
  - (ii) If less than 50% of the energy generated is subscribed to customers located in Howard County, the County shall exempt, upon the condition that the Landowner pay to the County \$1 per year in lieu of such exempted taxes:
    - 1. 37.5% of all real property taxes for the property in Years 1 through 10 of the Agreement Period;
    - 2. 12.5% of all real property taxes for the property in Years 11 through

20 of the Agreement Period;

- (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: (i) "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; and (ii) "Year" means the first 365-day period (or 366-day period in the case of a leap year) of the Agreement Period, commencing on the Commercial Operations Date and each 365-day period (or 366-day period in the case of a leap year) of the Agreement Period commencing on each anniversary of the Commercial Operations Date.

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

- (a) From the Effective Date and continuing throughout the Agreement Period, 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) If 50% or more of the energy generated is subscribed to customers located in Howard County, the County shall exempt, upon the condition that the Landowner pay to the County \$1 per year in lieu of such exempted taxes:
    - 1. 100% of all personal property taxes for the property in Years 1 through 10 of the Agreement Period;
    - 2. 50% of all personal property taxes for the property in Years 11 through 20 of the Agreement Period;
  - (ii) If less than 50% of the energy generated is subscribed to customers located in Howard County, the County shall exempt, upon the condition that the Landowner pay to the County \$1 per year in lieu of such exempted taxes:
    - 1. 75% of all personal property taxes for the property in Years 1 through 10 of the Agreement Period;
    - 2. 25% of all personal property taxes for the property in Years 11 through

20 of the Agreement Period;

(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 PILOT Agreement shall remain in effect until the earlier to occur of:

(i) the expiration of the Agreement Period;

(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 PILOT 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.
- (c) The Facility Owner shall submit an annual report to the County Council on or before December 1 in Years 1 through 20 of this PILOT Agreement, which report shall include: (i) the total number of subscribers; and (ii) the amount and percentage of electricity generated for subscribers located in Howard County and outside of Howard County. Following the annual report for Year 1 of the Agreement Period, the Facility Owner may submit an affidavit confirming that the total number of subscribers and the percentage of electricity subscribed to customers in Howard County has not changed from the previous Year.
- (d) The Facility Owner shall permit the County or any of its authorized agents to inspect the records of the Facility Owner in order to verify the compliance of the Facility Owner with this PILOT Agreement.

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 PILOT 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 PILOT Agreement as of the date first written above.

**WITNESS/ATTEST:**

**FACILITY OWNER:**

**Chaberton Solar Lime Kiln LLC**

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

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

**WITNESS/ATTEST:**

**LANDOWNER:**

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

\_\_\_\_\_  
**Jo-Ann Middleton**

**WITNESS/ATTEST:**

**LANDOWNER:**

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

\_\_\_\_\_  
**Katherine Robinson**

**WITNESS/ATTEST:**

**LANDOWNER:**

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

\_\_\_\_\_  
**Janet Srock**

**ATTEST:**

**HOWARD COUNTY, MARYLAND**

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

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

**APPROVED** for Form and Legal  
Sufficiency this \_\_\_\_\_ day  
of \_\_\_\_\_, 2023

**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 \_\_\_\_\_, 2023, 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 Facility Owner, **Chaberton Solar Lime Kiln LLC**.

**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 \_\_\_\_\_, 2023, 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 Landowner, **Jo-Ann Middleton**.

**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 \_\_\_\_\_, 2023, 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 Landowner, **Katherine Robinson**.

**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 \_\_\_\_\_, 2023, 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 Landowner, **Janet Srock**.

**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 \_\_\_\_\_, 2023, 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:** Resolution

**Exhibit A**

Council Resolution No. XXX-202\_