

County of Orleans Industrial Development Agency

AMENDMENT TO UNIFORM TAX EXEMPTION POLICY

Off-Site Commercial Solar Photovoltaic Policy

I. PURPOSES

This amendment to the County of Orleans Industrial Development Agency ("Agency") Uniform Tax Exemption Policy sets forth the Agency incentives available to developers of off-site commercial solar photovoltaic projects. The purposes of this policy include:

1. Supporting consumer choice for renewable energy generation;
2. Encouraging collection by Orleans County taxing jurisdictions of long-term, predictable payments in lieu of taxes (PILOT) without the burden of developing and administering PILOT agreements at the municipal level;
3. Assisting project developers by eliminating the need to negotiate PILOT agreements with multiple taxing jurisdictions; and
4. Enhancing project developers' prospects for financing such projects by offering a PILOT structure that is simple and more appealing to lenders.

II. ELIGIBILITY

This policy provides incentives for off-site commercial solar photovoltaic projects that provide renewable energy benefits to residential and commercial customers. Eligible commercial scale projects include (i) community solar projects and (ii) off-site solar power generation projects with wholesale power purchase agreements with one or more users.

To respect variations in local municipal policy, each project application must include a letter from the host municipality requesting that the Agency enter into a PILOT agreement with the project applicant. The Agency encourages project applicants to obtain the support of residents and the applicable governing body prior to submission of the project application.

The Agency will not: (i) induce a solar energy project if the host municipality chooses to exercise its right to negotiate a PILOT agreement with the project developer under Section 487 of the New York State Real Property Tax Law or any other means provided under New York State Law; or (ii) take any action to promote or discourage a proposed solar energy project.

III. INCENTIVES

1. Real Property Taxes.

- a. Any increase in real estate taxes attributable to the addition of a solar energy generation system will be abated, in whole or in part, for no less than fifteen (15) years and up to thirty (30) years. "Real estate taxes" include local, county, and school district taxes only; special district taxes are not eligible for abatement under this policy.
- b. The abatement is not applicable to the real estate taxes attributable to the land or any existing improvements thereon ("Base Value").
- c. The PILOT payment shall be the sum of: (i) the Base Value; plus (ii) a fixed dollar amount per megawatt AC of installed capacity ("Name Plate Charge"), which shall increase by two percent (2%) each year of the PILOT agreement.
- d. The Name Plate Charge will be determined on a case-by-case basis with reference to certain information available to the Agency, including, without limitation: (i) the New York State Energy and Research Development Authority (NYSERDA) PILOT Calculator; (ii) the project developer's application and supplemental materials provided to the Agency; (iii) payments made by the developer through host community agreements or any other methods in which payments are made to taxing jurisdictions; and (iv) other project information made available to the Agency.

2. Sales Tax. Project developers shall be entitled to an exemption from State and local sales tax on construction and equipment costs of the project to the extent permitted under New York State law.

3. Mortgage Recording Tax. Project developers shall be entitled to an exemption from mortgage recording tax on all project-related financing to the extent permitted under New York State law.

IV. FULL FORCE AND EFFECT

Except as modified by the terms of this Amendment, the Agency Uniform Tax Exemption Policy, Adopted April 17, 2009, shall remain in full force and effect as written.