

**Oneida County Industrial Development Agency**  
**Uniform Tax Exemption Policy (Community Solar Projects)**

**Adopted September 18, 2020**

**Modified April 30, 2021 and**

**Modified March 3, 2022**

The Oneida County Industrial Development Agency (the “Agency”) has adopted the following uniform tax exemption policy with respect to Community Solar projects. Final determination regarding the extent to which financial assistance, if any, will be granted is solely within the discretion of the Agency. The Agency’s definition of ‘community solar projects’ follows the guidance and definition as provided by the New York State Energy and Research Development Authority (NYSERDA). The Agency will modify its definition of ‘community solar projects’ as needed.

**I. Project Eligibility Criteria**

- (A) All Project Operators must submit a signed Application for Financial Assistance in the Agency’s standard form, together with all supplemental information the Agency may require (the “Application”).
- (B) Support of the affected tax jurisdictions is required for Community Solar projects. A copy of zoning or planning board approval is required; in absence of such, the host jurisdiction can issue a letter of support.
- (C) Community Solar projects are required to provide a metes & bounds survey map of the “Project Solar Array Area,” which includes the solar array as well as all land controlled by the Project Operator in connection with operation of the solar array.
- (D) Community Solar projects are encouraged to enter into a Host Community Agreement.
- (E) The Agency will consider the following additional factors in determining whether a Community Solar project is eligible for financial assistance:

- i. The extent to which the project benefits users residing in Oneida County
- ii. The extent to which the project is located on undesirable land or difficult land to develop (e.g., landfills, gravel pits, sites designated as Brownfield, not harmful to agriculture operation)
- iii. The extent to which a project does not create an additional burden to affected tax jurisdictions

## II. Financial Assistance

1. **Property Tax Exemptions.** Project Operators will pay a fixed payment in lieu of taxes (“PILOT Payments”) for a period of twenty-five years, to be billed by and allocated among the tax jurisdictions in the same proportion that taxes would have been paid but for the Agency’s involvement. PILOT Payments will be calculated as follows:
  - (i) During Exemption Year 1, a fixed PILOT Payment equal to \$10,000 per MW-AC of nameplate capacity (the “Minimum PILOT Payment”); and
  - (ii) During Exemption Years 2 through and including 25, a fixed PILOT Payment equal to the greater of (x) the Minimum PILOT Payment or (y) \$10,000 per MW-AC of nameplate capacity in the immediately preceding calendar year, plus an incremental increase of two percent (2.00%) for each Exemption Year; and
  - (iii) 100% of taxes after Exemption Year 25.
- The Agency will use the MW-AC nameplate capacity contained in the Application to calculate the Minimum PILOT Payment. The Project Operator will be required to provide to the Agency annually within 60 days of the end of each calendar year the Annual Megawatt Generation Report that is submitted to NYSERDA and certify the nameplate capacity for the Project. The PILOT Payment will be adjusted annually (upward, not downward) based on the actual MW-AC of nameplate capacity.
- PILOT Payments are intended to be in lieu of the increase in taxes attributable to construction of the solar array. The Company shall pay to the tax jurisdictions taxes, or payments in lieu of taxes, on the Project Solar Array Area and existing facilities thereon (other than the solar array) that would be payable but not for the Agency’s involvement.

2. **Mortgage Recording Tax Exemption.**

If, based on the project eligibility criteria described in Part I of this Policy, the Agency determines a project is eligible for financial assistance, the Agency will provide an exemption from New York State mortgage recording tax for the financing of project costs.

- Such exemption is limited to the extent of the Agency's legal exemption. As of the date of this Policy, the Agency is exempt from 75% of the 1% mortgage recording tax but is not exempt from 25% of the 1% mortgage recording tax applicable to CENTRO..
- The Agency reserves the right to deviate from the mortgage recording tax exemption policy on a case by case basis at its sole discretion.

3. **Sales Tax Exemption.**

- No Sales tax benefit is offered.

**III. Other Requirements**

- **Annual Rent.** The Project Operator shall pay annual rent to the Agency in the amount of \$2,000, payable on the Closing Date and annually each January during the term of the PILOT Agreement.
- **Host Community Payment.** In the absence of a Host Community Agreement, the Project Operator will be required to pay directly to the host jurisdiction an annual Host Community Payment equal to five percent (5%) of the PILOT Payment.
- **Decommissioning Plan.** The Project Operator must provide a decommissioning plan prepared and stamped by a licensed engineer detailing decommissioning of the Facility and including an estimated cost including inflation to the time of decommissioning. The Agency will require evidence that provision has been made to reserve funds for decommissioning, either through the posting of a bond or establishment of an escrow account. The Agency will require evidence that provision has been made to reserve funds for decommissioning, either through the posting of a bond or establishment of an escrow account for the benefit of the landowner or, if the Project Operator is the landowner, for the benefit of the Host Jurisdiction.

- Project Operators are directed to consult the Decommissioning Plan Guidance posted on the Agency’s website in preparing a decommissioning plan. The Agency reserves the right to retain an independent engineer at the Project Operator’s expense to validate the decommissioning plan and cost.

## **V. Recapture**

The Agency financial assistance is conditioned upon the Company’s representations that the project will be completed substantially in accordance with the Application (the “Project Obligation”). The Agency is required to review on an annual basis whether a Project is achieving its Project Obligation. Failure to provide the annual report to the Agency, or if the Annual Report shows that a Company is not meeting its Project Obligation, could result in recapture of all or a portion of tax benefits granted by the Agency.

## **VI. Deviations**

Deviations from this Policy shall be infrequent. The Agency reserves the right, at its sole discretion, to deviate from this Policy on a case by case basis. The Agency will provide written notice to the chief executive officer of each affected tax jurisdiction of any deviation from this Policy and will comply with the deviation requirements of the General Municipal Law.