



Town of Eddington

906 Main Road Eddington, Maine 04428

PLANNING BOARD

April 12, 2022

6:00 pm

MINUTES

CALL TO ORDER: David Peppard called the meeting to order at 6:00 pm.

ROLL CALL: Members present were David Peppard, Craig Knight, Susan Dunham-Shane, Heather Grass, Scott Newhart and Ben Birch, Town Tax Assessor

Motion to make Scott a voting member for this evening.

By Susan DS/Heather G 2nd. Vote 4-0

MINUTES:

NEW BUSINESS: Ben Birch, Town Assessor Agent, representing the Board of Assessors, is attending the meeting to continue his conversation about the valuation of Solar Projects. Everyone has copies of the paperwork Mr. Birch prepared for the meeting. (The paperwork he provided to the Board will be attached to the minutes.) Solar Energy Projects are eligible for either the Renewable Electricity Production Tax Credit (PTC) or the Business Energy Investment Tax Credit (ITC).

On March 3, 2022 he attended a zoom meeting with the IAAO Maine Chapter and the MMAAO regarding valuing large scale solar projects. When a solar project comes to town for approval, he will discuss the project with Shawna Hinkley, Town Manager and the Select Board to come up with a number for tax purposes. Mr. Birch explained that it will be important for the Assessor to maintain a good rapport with the developer so they can work together on the assessing value process.

Bob Cleaves, Dirigo Solar, added that extensive studies have been done to determine how much energy will be produced in the next 20 years. With that, they will know how much money it will generate based on the power contract. Mr. Cleaves continued that the variables of cost to build and lease etc. will need to be considered when determining value.

Mr. Birch explained that a request for information pursuant to 36 M.R.S.A. Section 706-A will provide necessary information for the Assessor to put a value on the project. After the developer gets his bill, he has a certain time period in which he can challenge it. However, if the Assessor has sent a 706 request, and other important information and the developer neglects to respond, they may be barred from the assessment appeals process. It is very important for the Assessor and developer to work together to resolve any issues. A sample 706 request will be attached to these minutes. It contains a list of documents that will be important for the Assessor to receive. Maine Revenue, because of Covid, has been hesitant on giving the assessors the guidance on how to come up with the numbers. Mr. Birch believes that Maine Revenue Services will want to see a Discounted Cash Flow Analyst rather than a Cost approach for valuations.

One thing that is hindering the process in Maine is the Wind Projects that took advantage of the Federal Tax Credits. Those tax credits are starting to expire and they are going to the towns wanting the town to absorb the 20% to 30% tax adjustment. It is up to each town how to handle this. Managers and Municipal Officers need to know that these projects may have some form of obsolescence and that they are not knowledgeable enough and will rely on the developer to provide the missing information.

Ben Birch asked Bob Cleaves about their Milo Solar Project. It is Ben's understanding that it was a \$23,000,000 project whose value went down to \$8,000,000 and then they went to executive session in which they negotiated an enhancement agreement that gave the developer 95% of the tax revenues back. Ben B said that this is not unusual. His responsibility is he wants to see the numbers and so he can work to see what the rate should be and model his own discounted cash flow to present to the Town Manager and then the Select Board. They will then sit down with Ben and the developer to discuss the figures. Bob Cleaves was not involved with that process in Milo. It is handled by their accountant and their attorney, Joe Mosher. Dirigo Solar is paying Milo rent and Milo is taxing them. He continued the taxation should not be based on the physical value of the project, but rather the income approach and it can be revisited after 2 or 3 years. He continued that of the 100's of proposed solar projects in Maine only about 15 are large scale projects and Dirigo has done 8 of them. (Milo, Farmington, Sanford, Cianbro in Pittsfield) The small projects are heavily subsidized and are paid 15 cents per kw while Dirigo gets 3 cents per kw. Plus they do not pay taxes because they produce less than 5 kw per current legislation. He compared utility solar projects to valuing a natural gas plant or hydro plant. You would find out how much they are getting paid for power, the term on contract, do a discount-cash-flow analysis and come up with a number. And then if it is being sheltered under Tax Increment Financing or a Credit Enhancement Agreement, it would be a separate discussion. Their Palmyra project is for 4.99 kw, but they are selling it as a utility project because that was in their original plan with CMP. Susan DS had spoken with the Palmyra Town Office and they were not sure if they would be receiving any tax money for this project. Bob C will contact them because Dirigo will definitely be paying taxes to them. Bob C said they pay a base rate or a percentage, whichever is higher. Bob C continued that they do not have any towns that have done tax-increment financing except Milo. Fairfield asked if they were going to build the project any way and Dirigo could not say that they wouldn't do it if not for the TIFF. So Fairfield did not participate and Bob C thinks it may have cost them money. Bob C said that most towns TIFF large projects like these so the milrate doesn't go up. Scott N feels that because the Dirigo project is one of 10 in the state, the Board needs to focus on the one in 100 projects as they do their Ordinance to make sure they cover them.

Ben Birch explained to the Board that his purpose for being here is to let them know that their assessor agent is in the know of what is happening. The Boards concern is if the project meets the requirements of the ordinance. The issue of whether there is a TIFF or not is between the Assessor, Board of Assessors and the Select Board.

Susan DS prepared a Fee comparison by town from the research she had done. Bob C said that most towns are doing a fee based on the square footage and then cap it. Susan DS recommends that the number of solar panels be included in the site plan review.

UNFINISHED BUSINESS: Scott has reviewed the Wind Ordinance more for items to include in the Solar Ordinance and added new ones in red. (The items he has added include: 109-Expiration of Site Permit Approval and SES Operational License; 110-Violations, Complaints and Penalties; 111-Maintenance, Amendments and Miscellaneous Requirements; 112-Severability; Conflicts with Other Ordinances, Laws and Regulations; Appeal;; 113-Ethical Standards; 107.2- Plan and Risk Assessment for Road and Property Use; 107.3-Security Plan and

Requirements; 107.4-Fire Prevention and Emergency Response Plan and Requirements) He also added in the information he found for battery storage system requirements. Private Scale Bess is for home batteries or principle use systems. Utility Scale Bess goes to the system. Scott will email it to the Board. (Anything in green is items he suggests to review.) He asked that everyone look at Section 106, Operational License in the Wind Ordinance to see what they want to change for the Solar Ordinance. Susan DS thinks the bullet items for review from the regular ordinance should be added to Section 107.

AGENDA FOR FUTURE MEETINGS – HOUSEKEEPING: Everyone should review Scott’s latest draft and bring their comments to the next meeting. They will also go over the Fees information from Susan DS. Heather G will not be at the next meeting on April 21, 2022. If she has any comments about Scott’s last draft, she can send them to Scott for the meeting. David P will be leaving April 30, 2022 and will be gone for part of the month of May.

DATE OF NEXT MEETING: The next meeting will be Thursday, April 21, 2022.

PUBLIC ACCESS:

ADJOURNMENT: Motion to adjourn at 7:23 pm. **By Susan DS/Heather G 2nd. Vote 5-0**

Respectfully Submitted,

Denise M. Knowles
From the Meeting Recording