

DRAFT
MINUTES OF THE MILFORD BOARD OF SELECTMEN MEETING
January 13, 2020

PRESENT: Gary Daniels, Chairman Mark Bender, Town Administrator
Paul Dargie, Vice Chairman Tina Philbrick, Recording Secretary
Mike Putnam, Member Nick Addonizio, Videographer
Laura Dudziak, Member - EXCUSED
Chris Labonte, Member

1. CALL TO ORDER, BOARD OF SELECTMEN INTRODUCTIONS & PUBLIC SPEAKING

INSTRUCTIONS: Chairman Daniels called the public meeting to order at 5:30 p.m., introduced Board members and then led the audience in the Pledge of Allegiance. Chairman Daniels indicated that those people in the audience who want to speak or add to the discussion should please use a microphone in order to be heard on the PEG Access live broadcast.

2. APPOINTMENTS: (Approximate times)

5:30 p.m. – Eagle Scout Dugout Renovations Project – James Rolanti

In summary, James is hoping to fundraise \$1,800 to cover expenses for wood, roofing, paint, and other project related expenses to renovate the dugouts at Keyes Field as part of his Eagle Scout project. He will start fundraising in January and expects to complete the project in July 2020. He will coordinate with adults and other teens to help him with bake sales and the project.

Chairman Daniels asked if placing the bat rack on the outside of the dugout leaves it open to weather. James said he will make them mobile so they can be moved back into storage after the games. During games the bats are typically leaning against the fence even if it's raining.

Chairman Daniels asked why he is taking metal off the roof of the dugouts and replacing it with shingles. James said he wanted to use architectural shingles because they last around 30 years. The current metal roofs are already leaking after only 20 years.

Selectman Dargie asked if James had to extend it, would it be a problem if he was turning 18. James said he turns 18 in October and doesn't see that as a problem for this project. He picked this project because he played baseball. Selectman Putnam asked when in July did he think he would be done. James said it would depend on how many workdays it takes to complete it. Chairman Daniels asked if he would be coordinating with anyone who uses the field to avoid conflict. James said as of now, there is no conflict.

Selectman Dargie made a motion to approve James's Eagle Scout project. Seconded by Selectman Putnam. All were in favor. The motion passed 4/0.

5:35 p.m. - Solar Pilot Presentation – Dominic LeBel and Mike Caplan

In summary, the town voted last March to put a solar farm on a portion of the BROX property.

- Milford Spartan Solar is a 16-megawatt project being developed off Perry Road for 119.62 acres.
- It will be developed on a mix of public and private land
- The Town and appropriate Boards will control the permitting process.

The project is proposing a PILOT (payment in lieu of taxes). The proposed PILOT would increase revenue and revenue certainty to the Town upon exercise of the lease option. A PILOT agreement is an agreement between a government entity and a developer or project that provides long term predictability of tax revenues and expenses. They are a common means of covering tax liability in NH, and renewable energy project PILOTS are common across the United States.

Hopkinton Solar recently did PILOTS with two New Hampshire Towns starting at \$3,000 per MW for up to a 40 year term. Both Hopkinton and Webster entered into agreements in November 2019.

This PILOT would start upon the exercise of the lease option and start of the construction. There would be a 2 year Construction Term, followed by a 40 year Ordinary Term, generating up to **\$2,940,000** in revenue for the Town of Milford.

- Construction Term: \$24,000/year
- One-time Land Use Change Tax of \$11,145 for removing the private landowner parcel from current use status.
- Ordinary term payments will start at \$48,000 per year and the current tax revenue on project land is approximately \$400 per year.

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Mike said the first year \$48,000 with the lease to the town would be approximately \$168,000 between PILOT and lease.

Selectman Dargie asked if they've worked out a PILOT with Londonderry yet. Dominic said no. Selectman Putnam asked how long they worked with the town of Webster and has the solar started. Dominic said they entered into the lease in October 2019 and the PILOTS were finalized the end of November 2019. They have started some environmental studies and some permitting. Selectman Putnam asked when they would be starting construction. Dominic said 2022. It's a larger project so it will take longer to set it up. Selectman Labonte asked what the value of the panels and whole project, 16 MW would be. Dominic said in excess of about \$20,000,000.

Administrator Bender said he, Marti Noel, the Town's Assessor and Attorney Drescher have all been involved in this process. They have a draft of the PILOT agreement which will be sent out to the Board and posted on the Town's web site.

Selectman Dargie asked if Administrator Bender wanted a vote or the Boards initial thoughts. Administrator Bender said thoughts would be good. He would like to get the document out for the Board's review. Over the course of 40 years this should generate just under \$3,000,000 in tax revenue and if you combine it with the lease revenue previously discussed, that is \$6,400,000 so we are looking at over 40 year, revenue of approximately \$9,350,000.

Selectman Dargie said this is the amount that he was expecting. He's looked at other PILOT agreements and this is in line with theirs. It's appropriate to him. Chairman Daniels said the document can be addressed at the next meeting. Selectman Labonte said typical taxation is taxing the land and assets, have we ever come up with number of what it would have been based off traditional valuation of taxes.

Marti Noel, Town Assessor reviewed other PILOTS to get additional information. She reviewed wind farms in 2017 and revenue value was anywhere from \$31,000,000 to \$165,000,000 depending on the MW size which broke down to \$1,300,000 to 2,000,000 per MW. In 2018 the values decreased by a substantial amount. Using the numbers from 2018 and doing a rough estimate, she estimated a value of about \$24,000,000 which is close to this PILOT. Selectman Labonte said if we took any of the industrial companies on the west end could this open it up to them saying "we are letting them come in with a PILOT that is less than taxes". Mike said he hasn't seen that. Selectman Labonte asked if companies have an option to do PILOTS instead of taxes.

Marti said we have RSA 72:80 which allow new construction for commercial and industrial properties which was voted in by the Town 2 years ago, Hitchiners is getting a break in taxes for 5 years with a slow increase in their taxes. There are programs in place for these things. Selectman Labonte asked, where this is a 40 year program, what would separate the rest of the commercial/industrial. Marti said RSA 72, 73 and 74 also allow for Municipalities to negotiate a PILOT with renewable energy programs. Administrator Bender said it's for renewable energy programs, not for general manufacturing companies. Marti said what we do for this PILOT for renewable energy has to be done for other renewable energy companies that come into town.

Administrator Bender said we have to remember with manufacturing companies, we implement and charge a property tax based on the assessed valuation of the building, land etc. We do not charge a tax on their equipment that is used in the manufacturing of their product. Solar panels are the equipment that is used to manufacture the renewable energy. In this case we have a vehicle in place with the PILOT to provide a tax that is fair and executable because there isn't a building there for us to assess valuation. Administrator Bender said there is a 2% escalator per year. Selectman Labonte said if future Boards decided to come back and re-visit this, would they have the ability to come back. Administrator Bender said no, we are locking this in.

Mike said the way the solar projects are typically built; we will seek a long term fixed revenue source that will commit to sell the energy. Selectman Labonte asked if they have what their 40 years would be on taxes. Marti said it would be around \$135,000 to \$140,000.

Chairman Daniels said there was a project on Joslin Road that was also looking for something with solar. He asked Marti if she would use this as a basis for developing a PILOT with them. Marti said she hasn't heard anything from them. Administrator Bender said we would use it as a basis going forward. Selectman Labonte asked what would year 40 would be for taxes. Administrator Bender said it would be \$103,908.

Rodny Richie, Milford Resident said \$9.4 million over 40 years isn't a lot of money. He referenced payment in lieu of taxes and said it sounds like we are not able to tax what is going to be improved on that property, can we tax it. Marti said yes. Mark said this is the tax, it's just determined in advance by agreement. The project can't go back in the future and say, "we think the valuation should be lower and seek a reduction". The commitment goes in both directions.

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Rodny said why would we accept a payment in lieu of taxes which is lower than what we could acquire by taxing the property. What is the advantage to the town to do this? Mark said the project will be able to provide substantially more tax than would otherwise go on this site. This higher payment to the town creates certainty on the amount. Right now it's about \$400 a year in tax coming in. The first year PILOT payment before the lease is \$48,000.

Rodny didn't like that comparison. We need to compare what would be the tax that could be levied on this project once it's established compared to what this payment estimated plan is. Selectman Labonte said that is where he was going with the value of the panels. What would the "would be" tax be. It would be \$519,400. Administrator Bender said at that point the project doesn't exist. Selectman Labonte said that is 10% of what would be the actual tax bill on \$20,000,000. Administrator Bender repeated, we don't tax manufactures in town for their equipment.

Marti said in New Hampshire it's never been tested in the courts whether the solar panels are personal property or actual real estate. It would have to be brought to court to see how much of that property would be taxable the same as we have going on with public utilities. Selectman Labonte said he would think anything you need a permit to put up would become taxable. Marti said part of this is with the state and the commitment to invest in renewable energy. They are allowing towns to be able to do this.

Selectman Labonte said he isn't opposed to a PILOT vs. actual taxes he just questions the 10% as an adequate tax amount. Marti said based on the studies with the other projects, it's very much in line with other their projects and other PILOTS that have been negotiated. Rodny said if others are making a bad deal, why should we.

6:30 p.m. – Budget and Bond Hearing

3. PUBLIC COMMENTS – There were no public comments at this time.

4. DECISIONS.

a) CONSENT CALENDAR. Chairman Daniels asked if there were any items to be removed from the consent calendar. There were no items to be removed. **Selectman Dargie made a motion to accept the consent calendar as presented. Chairman Daniels seconded. All were in favor. The motion passed 4/0.**

1. Approval of two (2) Polling Notification Forms
2. Annual Request for Approval of Three (3) Parade Permits – Memorial Day, Labor Day and Veterans Day.
3. Request for Approval to re-appoint Celeste Barr as a Full Member of the Recycling/Solid Waste Committee.
4. Request for Approval for Conservation Commission to accept a \$500 donation to the Rail Trail Fund for Trail Maintenance from Faye Richey.
5. Request for Approval of Intent to Cut Wood or Timber, Map 3 Lot 12.
6. Request for Acceptance and Appropriation of Unanticipated Revenues Under \$10,000 (31:95(b)) - Contributions in Support of the Milford Recreation 15 Passenger Bus
 - Martha Noel \$ 50
 - Marguerite Robinson \$300
 - David Proctor \$100
 - Pamala Abbot \$ 50
 - Nancy Tong \$ 50
 - Margaret & Hubbard Seward \$100
 - Barbara Gorman \$ 25
 - Michelle Spearman \$100
 - Deborah S. Thurber – Project Shakespeare \$ 25

b) OTHER DECISIONS. N/A

5. TOWN STATUS REPORT –

a) N/A

6. DISCUSSIONS:

a) Designations of Majority and Minority Report Authors 2020.

Due to Selectman Dudziaks absence, Chairman Daniels will wait until later to assign authors.

7. PUBLIC COMMENTS:

8. SELECTMEN'S REPORTS/DISCUSSIONS.

a. FROM PROJECTS, SPECIAL BOARDS, COMMISSIONS & COMMITTEES.

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b. OTHER ITEMS (that are not on the agenda).

9. APPROVAL OF FINAL MINUTES. Selectman Dargie moved to approve the minutes of December 16, 2019. Seconded by Chairman Daniels. The motion passed 3-0-1. Selectman Dargie moved to approve the minutes of December 23, 2019 as presented. Seconded by Selectman Putnam. All were in favor. The motion passed 4/0.

10. INFORMATION ITEMS REQUIRING NO DECISIONS.

11. NOTICES. Notices were read.

12. NON-PUBLIC SESSION. Approval of non-public minutes in accordance with (RSA 91-A:3, II (c)) Reputation, December 9, 2019, (RSA 91-A:3, II (b)) Personnel, December 16, 2019 and (RSA 91-A:3, II (e)) Legal, December 23, 2019.

13. ADJOURNMENT: Selectman Putnam moved to adjourn at **8:15**. Selectman Labonte seconded. All were in favor. The motion passed 4/0.

Gary Daniels, Chairman

Laura Dudziak, Member

Paul Dargie, Vice Chairman

Chris Labonte, Member

Mike Putnam, Member