

Warrant Article Questionnaire Non-Standard Town Agency Articles

Article #21	Date Form Completed: 3/5/21
Article Title: West Natick MBTA Solar Project – Payment in Lieu of Taxes Agreement	
Sponsor Name: Town Administrator	Email: jwmartin@natickma.org
With support from Jillian Wilson Martin (Sustainability) and Eric Henderson (Assessing)	

Question	Question												
1	Provide the article motion exactly as it will appear in the Finance Committee Recommendation Book and presented to Town Meeting for action.												
Response	“Move that the Town, pursuant to the provisions of Chapter 59, Section 38H of the Massachusetts General Laws, or other applicable law, vote to authorize the Select Board to enter into an agreement with West Natick (Fund III) Operating, LLC or its affiliate or assignee for payment in lieu of real and personal property taxes with respect to solar photovoltaic electric-generating facilities on land owned by the Massachusetts Bay Transportation Authority located at the West Natick MBTA Station, 249 W Central St, Natick MA, 01760 and, further, to authorize the Select Board, the Town Administrator, and the Select Board’s designee(s) to take any action necessary to accomplish the purposes of this article.”												
2	At a summary level and very clearly, what is the proposed purpose and objective of this Warrant Article and the accompanying Motion?												
Response	To authorize the Select Board to enter into a Payment in Lieu of Taxes (PILOT) agreement for solar panels at the West Natick Commuter Rail Station.												
3	Has this article or one of a very similar scope and substance been on a previous Warrant Article and what have been the actions taken by the Finance Committee, other Boards or Committees and Town Meeting?												
Response	<p>Yes, two similar articles/motions were passed for solar projects on the Mass Pike and at Walnut Hill School at the 2015 Special Town Meeting # 1 (Article 3) and the 2016 Annual Spring Town Meeting (Article 3), respectively. The current Article 21 provides a similar tax agreement for solar panels and has been developed on a similar basis as the prior articles/motions.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Warrant Period</th> <th>Other Committees</th> <th>FinCom Action</th> <th>Town Meeting</th> </tr> </thead> <tbody> <tr> <td>2016 Annual Spring Town Meeting</td> <td></td> <td>Favorable Action, 11-0-0</td> <td>Yes, 122-4-1</td> </tr> <tr> <td>Special Town Meeting # 1 of 2015</td> <td></td> <td>Favorable Action, 9-0-0</td> <td>Yes, 118-1-2</td> </tr> </tbody> </table>	Warrant Period	Other Committees	FinCom Action	Town Meeting	2016 Annual Spring Town Meeting		Favorable Action, 11-0-0	Yes, 122-4-1	Special Town Meeting # 1 of 2015		Favorable Action, 9-0-0	Yes, 118-1-2
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2016 Annual Spring Town Meeting		Favorable Action, 11-0-0	Yes, 122-4-1										
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4	Why is it required for the Town of Natick and for the Town Agency sponsor(s)?												

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Response	<p>While the West Natick Commuter Rail station’s land is nontaxable, the solar arrays are. It is customary for solar developers to request a 20-year Payment in Lieu of Taxes (PILOT) agreement, rather than use the Town’s traditional personal property taxation methodology, because their lenders seek to establish a known level of taxes over the life of the project. Current laws governing tax exemption for solar are antiquated as technology has changed greatly. This has led to taxation issues including differing opinions on taxation and exemption between the Department of Revenue and the Appellate Tax Board (ATB). From the Town’s perspective, a solar PILOT maintains equitable taxation, provides a known revenue source, and reduces potential ATB litigation costs.</p> <p>Town Meeting approval is required to authorize the Board of Selectmen to enter into the Agreement. The administration is available to answer further questions at Town Meeting.</p> <p>The Town will use the same methodology it used to develop PILOTs with Walnut Hill and MA Highway Solar for this PILOT or other methodology deemed advantageous to the Town. The current methodology estimates the future taxes for the solar array starting with the present value of the solar array and depreciates the asset over 20 years. The administration will use conservative (i.e. favorable to the Town) assumptions regarding tax rate increases as well as possible overrides and debt exclusions over the 20-year period. (Such assumptions are made solely for the purposes of projecting potential future tax rates for the purpose of developing the tax agreement.)</p>
5	Does this article require funding, how much, from what source of funds and under whose authority will the appropriation be managed and spent?
Response	It does not require funding.
6	<p>Does this article act in any way in concert with, in support of, or to extend any prior action of Natick Town Meeting, Massachusetts General Laws or CMR’s or other such legislation or actions?</p> <p>Does this article seek to amend, rescind or otherwise change any prior action of Natick Town Meeting?</p>
Response	It follows prior action taken by Town Meeting related to other sites. It does not seek to amend, rescind or otherwise change any prior action of Natick Town Meeting.

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7	How does the proposed motion (and implementation) fit with the relevant Town Bylaws, financial and capital plan, comprehensive Master Plan, and community values as well as relevant state laws and regulations?
Response	It is in line with past practice for solar arrays on nontaxable land.
8	Who are the critical participants in executing the effort envisioned by the article motion?
Response	The Assessor's Office and the Select Board.
9	<p>What steps and communication has the sponsor attempted to assure that:</p> <ul style="list-style-type: none"> ● Interested parties were notified in a timely way and had a chance to participate in the process ● Appropriate Town Boards & Committees were consulted ● Required public hearings were held
Response	Town Administration worked with the developer to draft the Article and provided the Article to the Select Board in advance of the Warrant closing.
10	Since submitting the article have you identified issues that weren't initially considered in the development of the proposal?
Response	None.
11	If this Warrant Article is not approved by Town Meeting what are the consequences to the Town and to the sponsor(s)? Please be specific on both financial and other consequences?
Response	The Town could lose potential revenue by not entering into a PILOT agreement.