



Albemarle County

Legislation Text

File #: 24-148, **Version:** 1

AGENDA DATE: 3/6/2024

TITLE:

Public Hearing to Consider Proposed Siting Agreement for Woodridge Solar Project

SUBJECT/PROPOSAL/REQUEST: Public hearing to consider proposed siting agreement for Woodridge Solar project.

ITEM TYPE: Regular Action Item

STAFF CONTACT(S): Richardson, Sumner, Rosenberg, Herrick

PRESENTER (S): Andy Herrick

LEGAL REVIEW: Yes

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND: On April 5, 2023, the Board adopted resolutions to approve the Woodridge Solar Project (SP202200015), the Woodridge Solar Substation (SP202200014), and a critical slopes special exception for the project (SE202200035). As approved, this solar-energy electrical generation facility and associated substation would produce approximately 138 megawatts, with panels encompassing approximately 650 acres.

Under Virginia Code § 15.2-2316.7, any applicant for a solar project or an energy storage project must give to the host locality written notice of the applicant's intent to locate in the locality and request a meeting. That section further requires that the applicant must meet, discuss, and negotiate a siting agreement with the locality. It also specifies that the resulting siting agreement may include financial compensation to the host locality to address certain capital needs.

In a letter dated January 19, 2023, addressed to the County Executive and the County Attorney, the applicant's counsel gave the required written notice of the applicant's intent to locate in the county and requested a meeting. The applicant's counsel subsequently provided a proposed siting agreement. Following staff review of the proposed agreement, on June 7, 2023, counsel for the applicant and the County met to discuss and negotiate a draft siting agreement (Attachment A).

STRATEGIC PLAN: Infrastructure & Placemaking - Invest in infrastructure and amenities that create connection, opportunity, and well-being.

DISCUSSION: The proposed siting agreement offers financial compensation to the County, as allowable under state code, and ensures that the County receives the greater of two potential revenue streams that may result from this project. The first potential revenue from the project comes from certified pollution control equipment and facilities (such as the solar photovoltaic systems comprising this project), which are ordinarily subject to local machinery and tools taxation ("M&T Taxes"). The second, pursuant to Virginia Code § 58.1-2636, derives from a revenue share of up to \$1,400 per megawatt, as measured in alternating current generation capacity of the nameplate capacity of a solar facility, if a local ordinance to assess revenue share is

adopted. The County has not yet adopted such a solar revenue share ordinance but may elect to do so at a later date. Pursuant to Virginia Code § 58.1-3660, if the County adopted such an ordinance, the certified pollution control equipment and facilities would be exempt from all state and local taxation pursuant to Article X, Section 6 (d) of the Constitution of Virginia. In other words, localities ordinarily must choose between collecting standard M&T Taxes or a solar revenue share, but not both.

Under the proposed agreement, the Applicant would agree to the payment of the M&T Taxes together with voluntary annual payments supplementing the M&T Taxes. The amounts of the voluntary annual payments would result in a total annual payment equal to the greater of the M&T Taxes or what would otherwise be due under a solar revenue share ordinance, regardless of whether the County actually adopted such an ordinance.

BUDGET IMPACT: The applicant has provided a memorandum (Attachment B) and supporting materials (Attachments B(1)-B(4)) that estimate:

- the project's solar revenue share payments (applicable only if the County adopted a solar revenue share ordinance);
- the project's real property taxes generated separately and distinctly;
- the total lifetime revenue that the project could potentially generate for the County; and
- the cost of on-site improvements and other expected (positive) impacts of the project.

RECOMMENDATION:

Staff recommends that following a public hearing, the Board approve the proposed siting agreement for the Woodridge Solar project (Attachment A).

ATTACHMENTS:

A - Proposed Solar Siting Agreement

B - Woodridge Solar Public Benefits Memorandum

B(1) -- Woodridge Memorandum Exhibit A (Siting Agreement Ex. A-M&T-Revenue Share)

B(2) -- Woodridge Memorandum Exhibit B (Real Estate Taxes)

B(3) -- Woodridge Memorandum Exhibit C (Economic Impact Report dated 2/18/22)

B(4) -- Woodridge Solar Memorandum Exhibit D (Vegetation Management Plan dated 9/19/22)