



DANIEL P. McCOY
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COUNTY OF ALBANY
REAL PROPERTY TAX SERVICE AGENCY
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MICHAEL McGUIRE
DIRECTOR

October 29, 2021

Honorable Andrew Joyce, Chairman
Albany County Legislature
112 State Street, Rm 710
Albany, NY 12207

Re: Request for authorization to enter into a Payment in Lieu of Taxes (PILOT) agreement with Yellow 5 LLC

Dear Chairman Joyce,

The Real Property Tax Service Agency respectfully requests authorization to enter into a Payment in Lieu of taxes (PILOT) agreement with Yellow 5, LLC. The owner is proposing to develop a 2.375 Megawatt AC solar energy system on a parcel of land located within the Town of Guilderland ("TOWN") at 2 Van Buren Blvd (Tax Map #50.00-1-14.21).

Real Property Tax law (RPTL) § 487 exempts the value of a solar energy system from local property taxes. Under the law, any increase in the property value attributable to the addition of the solar energy system is exempt from property taxes for fifteen years. Pursuant to §487, a taxing jurisdiction can require a solar developer to pay an annual fee or "payment in lieu of taxes" as a replacement for the taxes it would have otherwise collected. Under the law, PILOT amounts cannot exceed what the tax amount would have been without the §487 exemption.

The developer proposed an annual PILOT payment of \$750 per Megawatt AC of Capacity with a two percent annual escalator. This amount falls within the NYSERDA PILOT rate guidance for National Grid territory. Based on the size of this project the first year PILOT payment will be \$1,781.25. The 15-year term shall commence on January 1st of the year immediately following completion of construction, or the date when the Project is recognized as exemption from taxation on the municipal assessment roll, which will result in an initial PILOT payment in January of 2023.

Please contact me with any questions.

Sincerely,

Michael McGuire, Director
Real Property Tax Service Agency

CC: Hon. Dennis Feeney, Majority Leader
Hon. Frank Mauriello, Minority Leader
Rebekah Kennedy, Majority Counsel
Arnis Zilgme, Minority Counsel