



CITY COUNCIL MEETING

Monday, May 11, 2020 – 6:00 p.m.

Webmeeting by computer: <https://us02web.zoom.us/j/88386834060>

or by phone: 1-312-626-6799, Meeting ID# 883 8683 4060

Compliant Statement

The Right-to-Know Law During the State of Emergency

As Mayor of the **City of Franklin**, I find that due to the State of Emergency declared by the Governor as a result of the COVID-19 pandemic and in accordance with the Governor's Emergency Order #12 pursuant to Executive Order 2020-04, this public body is authorized to meet electronically.

Please note that there is no physical location to observe and listen contemporaneously to this meeting, which was authorized pursuant to the Governor's Emergency Order. However, in accordance with the Emergency Order, I am confirming that we are:

a) Providing public access to the meeting by telephone, with additional access possibilities by video or other electronic means:

We are utilizing **Zoom Webmeeting via the Internet** for this electronic meeting.¹ All members of the **Franklin City Council** have the ability to communicate contemporaneously during this meeting through this platform, and the public has access to contemporaneously listen and, if necessary, participate in this meeting through dialing the following phone # **1-312-626-6799, Meeting ID #883 8683 4060**, or by clicking on the following website address:

<https://us02web.zoom.us/j/88386834060>, Meeting ID #883 8683 4060

b) Providing public notice of the necessary information for accessing the meeting:

We previously gave notice to the public of the necessary information for accessing the meeting, including how to access the meeting using Zoom or telephonically. Instructions have also been provided on the website of the **City of Franklin** at: www.FranklinNH.Org.

c) Providing a mechanism for the public to alert the public body during the meeting if there are problems with access:

If anybody has a problem, please call **603-934-3900 ext. 10** or email at:
ALanzillo@FranklinNH.Org.

d) Adjourning the meeting if the public is unable to access the meeting:

In the event the public is unable to access the meeting, the meeting will be adjourned and rescheduled.

Please note that **all votes** that are taken during this meeting shall be done by **roll call vote**.

Let's start the meeting by taking a roll call attendance. When each member states their presence, please also state whether there is anyone in the room with you during this meeting, which is required under the Right-to-Know law.

SALUTE TO THE FLAG



Agenda Item I.

Council to reconsider the Council vote on scheduling a public hearing for the adoption of the Commercial Solar Pilot Agreements with Franklin Town Solar 1 LLC, Franklin Town Solar 2 LLC, Commercial Way Solar LLC, and Mark and Duffy Street Solar Gardens.

Agenda Item II.

Other Business

Adjournment

The City Council of the City of Franklin reserves the right to enter into non-public session when necessary according to the provisions of RSA 91-A.

This location is accessible to the disabled by stairwell elevator. Those wishing to attend who are hearing or vision impaired may make their needs known by calling 934-3900 (voice), or through "Relay New Hampshire" 1-800-735-2964 (T.D./TRY)



CITY OF FRANKLIN COUNCIL AGENDA REPORT

April 22, 2020

Subject: Adoption of Solar PILOTS

Motion:

May 4, 2020

Councilor moves, "I move that the Franklin City Council adopt and authorize the City Manager to execute \$4000 per Megawatt per year PILOT agreements for the following commercial solar arrays: Franklin Town Solar 1 LLC, Franklin Town Solar 2 LLC, Commerce Way Solar LLC, and New England Solar Garden map lot 147-051 (Duffy St Solar), map lot 147-401 (Foundry Solar) and map lot 119-402 (Mojalaki Solar). Solar PILOTS are payable regardless of whether or not the array is built starting in FY2021."

Discussion:

All previous commercial solar PILOT agreements have expired and/or need to be renewed as of 12/31/2019. As council may recall, prior agreements were contingent upon the project being built and operational which did not occur.

3 of these projects are original projects from 2015 and 3 of these projects are new. A sample of the new agreement and a sample of the addendum that will go on the original three is attached. One main difference is that the PILOT agreements have increased to \$4000/year but also it is due and payable starting in year one REGARDLESS of whether or not the project is built.

Even though the pilots will be paid annually, the agreements will still have a deadline for built and in place giving the City and landowner an out should the arrays not be built in a timely fashion.

Current tax revenue on these parcels today is \$4,747. These PILOT agreements total \$24,000 in annual revenue. In addition, the City will be receiving approximately \$9,000 in rebates and \$34,000 in lease revenues for Town Solar 1 and Town Solar 2.

Attached:

Sample addendum (current agreements in place)
Sample agreement (new)

Original Motion 5/4/2020 City Council Meeting

Councilor Brown moved that the Franklin City Council consider setting a public hearing for the adoption of the Commercial Solar Pilot Agreements with Franklin Town Solar 1 LLC, Franklin Town Solar 2 LLC, Commercial Way Solar LLC, and Mark and Duffy Street Solar Gardens. Seconded by Councilor Dzujna.

Point of Order called by Councilor Clarenbach stating the Public Hearing required a date and time.

Motion – Councilor Brown moved to amend the motion to include the public hearing date of Monday, May 18, 2020 at 6:00 p.m. in Council Chambers. Seconded by Councilor Dzujna.

Please Note: the earliest date we can hold the public hearing after the meeting on 5/11 would be Tuesday 5/26 to adhere to the City's 10 day notice rule. We recommend the public hearing take place Tuesday 5/26 as per the assessors PILOTS have to be determined before first tax bills go out. First tax bills need to go out that week for a July 1st due date.

Audrey Lanzillo

From: City Manager
Sent: Wednesday, May 6, 2020 3:03 PM
Subject: Monday night

Good Day,

I've been thinking about our solar pilot discussion since our meeting and feel that I did not provide the proper background. The more I think about it the more I realize that we have been discussing this here and there over the past year at LEAN meetings and other venues but everyone (council) may not have been there for various reasons. I wanted to take this opportunity to give you a better background as well as answer/clarify the questions I heard on Monday night. My hope is giving all of you this additional information the Council will reconsider allowing the PILOT agreements to move to public comment. I feel public input is always important and they should be allowed to speak on this issue.

Originally, in 2015, after a public hearing on both PILOTs and leases, there were 6 sites (4 City, 2 private) approved by the Council to enter into long-term leases and PILOT agreements (PILOT agreements were for \$3500 per site). Both the lease (City parcels only) & PILOT agreement were reviewed and approved by Attorney Fitzgerald. The PILOT agreements expired in 2017, as the arrays were not built yet, mostly due to net metering legislation and delays due to veto over-ride votes scheduled in the legislature. Recognizing these compelling factors, the PILOT agreements were renewed again in 2017 after public comment and with the stipulation they would expire again in 12/31/19 if the arrays were not built and functioning.

Returning to past project under consideration in 2015, 2 of the City owned properties (Lakeshore Drive & Ashfill) were deemed not feasible to construct for various reasons and have dropped off. In addition, an investor came to town and purchased property at Mark & Duffy roads with the intention of expanding an existing "work force housing" trailer park currently in that location. This same investor purchased Mojalaki with the intention of installing up to 50 acres of solar panels. City staff asked this investor to consider socially responsible projects that utilize little to no City (both municipal and school) Services. To be frank, was very concerned about another absentee trailer park landlord in the City of Franklin. The investor agreed (I'm pretty sure the Mayor "emphasized our great concerns over another trailer park with the investor and it wasn't our request alone that changed his mind but I digress). The new plan is for solar at Mark & Duffy sites and a vineyard, winery, and function hall at the Mojalaki site; however the investor is pursuing a 5 acre a 1 MW (megawatt) array at Mojo as he needs that income stream to support the vineyard and make the numbers work. The array will be situated in such a way that it will not be in view from the road but rather he has re-designed his layout such that the vineyard would visible to residents and passersby. Now this has not been through the planning board yet so it's not set in stone but it is our understanding that this is the project layout he's interested in pursuing.

So the PILOT discussion Monday night revolved around 6 projects, of which only 3 are from the original 2015 group. Those 3 original projects are Commerce Way (private), Franklin Town Solar 1, Franklin Town Solar 2 (City of Franklin property). These 3 projects are the responsibility of Blue Planet (a California group). The Franklin sites are located on City property down by the waste water treatment plant and does include 11 acres that was formally farmed by the Fifes. Please note that the 20 year lease agreement (with a 5year renewal option) is still in effect and Blue Planet has the right to build a solar array on that land for the next 20 years. Because Blue Planet has a duly signed and executed lease, I do not believe that without the express written approval of Blue Planet it to be used for another purpose for that duration.

Then there are 3 new projects: Duffy Road, Mark Road, and Mojalaki. All of these projects are on private property and being privately developed. New England Solar Garden (NH company) is responsible for these projects. For all 6 of these projects, only Mojalaki has not been before the planning board. All the other projects have been through the entire planning board process and have been approved for construction. Including Mojalaki in this motion to go to public

hearing was my error. I had incorrectly assumed it had gone to planning board probably because we talk about it so much in our economic development downtown committee meetings. All committee members believe a revitalized Club House and vineyard would be a great asset to the City. However, I do not see this Mojalaki revitalization moving forward with the planning board if the City is not going to approve PILOT agreements for solar as the solar is needed on this site to make the numbers work. I fear another trailer park, probably higher end than the Mark & Duffy Street project because of the spectacular view at Mojo. I also fear some backlash as the investor did work in good faith with us on a solution other than his original concept to add “work force housing” but if the PILOTs are denied I will have to deal with that.

Now for the numbers:

\$4000 per megawatt per year = \$24,000 for these 6 projects (remember Weglarz will come forward eventually as likely will an additional one on Commerce drive which will add another \$8000)

\$17,000 lease per year for each of Franklin sites once built = \$34,000

\$9,000 rebate per year from the private sites under NE Solar Garden (could be as high as \$15,000) -this rebate will come back to the City

Conservatively, that totals \$67,000 per year. \$24,000 that will begin 7/1/2020 and then rest once the arrays are built.

During Monday night’s meeting, the Mayor asked about bonding capacity based on monies raised from these projects. At current rates, \$67,000 would support just under a \$1 Million bond for 20 years. It could also be used for a capital lease for equipment.

Additional considerations: the lease handles the liability insurance and decommissioning (bring land back to original state). We have learned from the first install and code enforcement as well as Dick Lewis have devised a plan to keep future arrays in check as they are being built. Code (we follow national) will be followed regarding the safety protocols etc. with the arrays. Properly built arrays are not an eyesore and in most instances are quite pleasing to the eye (although I may be biased) 🤖. Anyone is more than welcome to look at the array in my yard but you can’t come in the house we’re in quarantine still!

In addition, along with our newly issued NHDES Wetlands Permit that now allows us to construct out Whitewater Park, I do believe our “Franklin Goes Green” mantra goes hand in hand with emphasis on outdoor recreation. Mill City Park is planning to place a solar array on their piece of land they had to purchase (so Mr. Kidder would sell the other piece of land we needed) as part of their sustainability plan for the park. I’d like solar on City buildings eventually. Unlike previous PILOT agreements, this starts on 7/1/2020, regardless of whether or not the arrays are built, which I believe motivates them to build the arrays this construction season. In addition, I have it on good authority (Chris Milner, Milhouse Enterprises) that, because of COVID, solar warehouses are full. Solar panels can be purchased for much less per kilowatt than a year ago which also motivates them construct this season.

Most importantly, building the arrays will drive our other revenues. I rode these companies hard and put them through the ringer since January to get the best agreement to 1) make the projects go forward and 2) get revenue into the City regardless of being built. This is not new. They do want to build this season and I’ve been cognizant of that (our assessors advised me that the PILOTs need to be in place prior to the issuance of our first tax bills) but needed all the facts to get what I believed was a much better deal for the City. Lastly, even though the PILOTS will be paid annually as of 7/1/2020, there is still an expiration (12/31/2021) should the arrays not be built for some unforeseen reason. This gives us another opportunity to review conditions at the time and receive additional public input.

I truly hope you take this as intended – more information. I truly apologize for lack of detail your recent packets. I was at the height of COVID when I wrote it and was just trying to breath and stay awake. I mistakenly assumed most Councilors had enough background information to simply move this to public hearing. My goal was to share much more information with everyone at our next Council meeting. My apologies.

I hope you will at least reconsider allowing the public input, it can certainly be done by sending me & Audrey an email ahead of time with questions for those who do not want to speak at a virtual meeting (although I'd think it would be easier for some to speak from their homes).

With Respect,

Judie Milner

Judie Milner,
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