NOBLE COUNTY PLAN COMMISSION

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July 27, 2022

Board of Commissioners,
On April 25, 2022 you approved a 120-day moratorium to pause acceptance of any Commercial Solar applications, to allow time to gather more information. It is my goal to empower you, our commissioners with enough information, from reliable resources, to be able to make a (solar) decision based on facts.

In November 2021 the Commercial Solar Energy System Overlay District (CSES-OD) was adopted after several months of public meetings, public impute and pro/con consideration to create this document. We have had great public attendance during this past year, which has made the Plan Commission members more conscientious of their decisions. I believe I can speak for the Plan Commission board that they believe they have created a workable ordinance for the county. This will include the concept, that I believe is one applaudable area of this document and that is the *Development Plan*. Many of our respected department heads will inherit a position on this board. Most of who live, work and play right here in Noble County and because of that I believe their intention, not only on a daily basis in their respected position, but also on the development committee, will do what they believe is best for Noble County. You have put your faith in your employees to guide you based on their expertise.

I worked with GIS for the transmission line question and will present that at our meeting. <This d*iscussion topic did not happen>.*

I cannot consciously attempt to answer some of your questions that are clearly out of my department, so I have included members of county employment to speak on behalf of their position with Noble County. Attached you will find comments from:
George Bennett – Noble County Council
Ben Castle – Noble County Assessor

- Utility companies file a UD-45 with the DLGF. The DLGF reviews the return. The state then issues the distributable amounts for each taxing district where the taxpayer has property to the Auditor.

Gary Gatman – Noble County Economic Development

In attendance at our meeting on August 1st, **Eric Hesher** will also be available if you have any questions or concerns regarding safety, instillation, weather and solar, (i.e., strong winds and hail).

Included in your packet are resources for you to review and I hope that by offering this information to you prior to our meeting on the 1st you will have enough time to review and absorb everything.

Lagrange passed an ordinance which would limit commercial solar to 5% and if you are considering this, we should look into what they passed. This will offer some consistency with the neighboring county. <This discussion topic *was based on joint plan commission and commissioner meeting - June 2022 regarding adding limits to solar.>*

Nothing in life is perfect, but after the latest review of our ordinance I believe we have a good workable document, and any further adjustments you desire I will gladly take back to the Plan Commission. You have a difficult job to do and I hope that the information provided will be helpful. I have faith that you will do what is best for Noble County and I will support your decision, no matter the direction.

Best regards,
Teresa Tackett
Plan Director/Zoning Administrator

Noble County Council
Tax Abatement Application Guidelines

The following guidelines are used by the Noble County Council for applications of tax abatements for real property and personal property:

A. Tax abatements can be granted for a period of three (3), five (5), seven (7), or ten (10) years. Each abatement request will be reviewed based on its unique circumstances related to estimated:
    a. Value of redevelopment or rehabilitation (increase in assessed value)
    b. Number of jobs retained, and number/wages of new positions created

B. Abatements will be reviewed based on:

	Minimum Investment	Current Employees	Future Employees
Three (3) Year Abatement	$250,000	Majority retained	$15.00/hour or higher ($31,200 annually)
Five (5) Year Abatement	$500,000	Majority retained	$16.50/hour or higher ($34,320 annually)
Seven (7) Year Abatement	$2,500,000	Majority retained	$17.50/hour or higher ($36,400 annually)
Ten (10) Year Abatement	$5,000,000	Majority retained	$20.00/hour or higher ($41,600 annually)

This information is subject to change and is provided as a guideline only by the Noble County Economic Development Corporation (EDC). Please contact the EDC at (260) 636-3800 with questions or for assistance applying for a tax abatement.

Be Noble
Noble County Economic Development

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Be Noble

Gmail George Bennett <georgebennett2013@gmail.com>

Tax Abatement

George Bennett <georgebennett2013@gmail.com> Tue, Jul 26, 9:24 PM
To: Ben Castle <bcastle@nobleco.us>, Gary Gatman (gary@noblecountyedc.com) <gary@noblecountyedc.com>, Teresa Tackett <ttackett@nobleco.us>

A discussion of tax abatements is a complex subject which has filled the pages of many books and encompassed the words of many lectures, both delivered by persons with far more expertise and knowledge than I possess. Following is an attempt to summarize the subject as I am best able.

Economic Revitalization Area Assessed Valuation Deductions, commonly referred to as "Tax Abatements", may be used to incentivize and encourage building improvements, new manufacturing equipment, new logistical distribution equipment, new information technology equipment and research and development equipment. The statute that provides for the granting of tax abatements is found in I.C. 6-1.1-12.1.

https://law.justia.com/codes/indiana/2021/title-6/article-1-1/chapter-12-1/

The designating body that may consider tax abatements within the county, but outside cities and towns, is the County Council. The tax abatement process reduces the assessed valuation of the improvement that is made for a specified period of time, usually by a declining percentage, thus temporarily reducing the amount of the tax which is paid upon the improvement. An applicant for tax abatement must provide a statement of benefits which includes a description of the proposed improvement to be made, an estimate of the number of individuals who will be employed or retained and an estimate of their annual salaries, and an estimate of the value of the improvement. The designating body will review and evaluate whether the estimate of value of the improvement is reasonable, whether the estimate of employment and salaries can be reasonably expected to result, whether other benefits identified can be reasonably expected to result, and whether the totality of benefits is sufficient to justify the deduction.
The purpose of tax abatement is to achieve economic development growth such as: retaining or attracting employment opportunities within a specific company or industry, attracting private investment in order to revitalize a distressed economy or area of a community, or increasing the long-term assessed valuation for a taxing unit.
[Quoted text hidden]

July 27, 2022

In Noble County, and all counties in Indiana, the Ag rate is established by the DLGF. The 2022 tax year paid in 2023, the AG rate is currently $1500 per acre. Noble County has established a protocol for over 10 years on Excess Rural Residential Rates. "If" a taxpayer is currently using 50% of their parcel for AG purposes, the excess land that is not being maintained for residential land purposes will be assessed at the State set AG rate. With Solar Farms being presented to Noble County, the Solar Farm changes the AG purpose of any acreage the Solar Company uses. Taxpayers who lease land to the Solar Companies and do not have 50% AG purpose of the land, will lose the AG rate that Noble County had given to the taxpayer as a benefit. The Excess Rural Residential will be applied to all land that had currently been receiving the benefit of the AG rate. Example, Jefferson Township has a $7400 per acre Excess Rural Residential Rate, the rate would now go to $7400 per acre, up from $1500 per acre.

Buffer Zones, Land between Solar Panels, Lanes between panels, etc. will be assessed at the State DLGF) Solar Rate, regardless of use. The purpose of Buffer Zones, Land between Solar Panels, Lanes between panels are for the Solar Farm.

Thank you,

Ben Castle, Noble County Assessor

(B) a land conservation program administered by the United State Department of Agriculture's Farm Service Agency; or
(C) a conservation reserve program or agricultural easement program administered by the United State Department of Agriculture's Natural Resources Conservation Service;

(2) Land enrolled in the department of natural resources' classified forest and wildlands program (or any similar or successor program);
(3) Land classified in the category of other agricultural use, as provided in the department of local government finance's real property assessment guidelines; or
(4) Land devoted to the harvesting of hardwood timber.

The land underneath a solar farm would not meet the agricultural land use; thus, it would be assessed as something other than agricultural land (e.g. commercial or industrial land).

Assessing officials are given latitude when assessing land. One alternative that the local assessing official could consider is to establish a "Solar" base rate as part of their land order under the Commercial/Industrial base rate. Indiana Code §§ 6-1.1-4-4.2, 6-1.1-4-13.6, and 50 IAC 27-5-7 addresses the determination of the land values by the county assessor. It is possible, based on the sales or other market value-in-use information (e.g. leases), that the assessor could establish a base rate for commercial property (e.g. $20,000 per acre), but have a specific base rate for "Solar" or "Other" commercial property (e.g. $5,000 per acre) for solar projects.

Finally, any abatements for a solar project would be a local (i.e. county or city/town) determination.

If you have any questions, please contact Assessment Division Director, Barry Wood, at bwood@dlgf.in.gov or (317) 232-3762.

Section 2 of HEA 1348, effective upon passage, amends Ind. Code § 6-1.1-8-24 by providing new guidelines for the assessment of the land underneath the fixed property of a utility-grade solar energy installation facility. The provisions state that the township or county assessors will determine the assessed value of the land underneath the fixed property of a utility-grade solar energy installation facility at an amount that does not exceed the solar land base rate for the region in which the property is located. The solar land base rates[1] for each region will serve as the assessment cap, unless the facility was in existence and assessed on the January 1, 2021, assessment date. Assessing officials are still instructed to follow the normal guidelines and procedures as are applicable under Ind. Code § 6-1.1-20.6.

Section 2 of HEA 1348 specifies that the amendment to Ind. Code § 6-1.1-8-24 applies to a utility-grade solar energy installation facility:

(1) that had the land portion of its fixed property assessed and valued on January 1, 2021, property taxes first due and payable in 2022; and
(2) for assessment dates after December 31, 2021, but only until the next planned reassessment of the property during the county's four (4) year reassessment cycle.

Section 2 of HEA 1348 carves out a limited exception for a utility-grade solar energy installation facility that had the land underneath the fixed property assessed and valued on the January 1, 2021, assessment date. For these facilities with assessments that have been set for the January 1, 2021, assessment date, the assessed value cannot be changed until the next cyclical reassessment if the assessed value of the facility is less than the solar base rate.

Section 3 of HEA 1348, effective upon passage, adds Ind. Code § 6-1.1-8-24.5 and provides that the Department of Local Government Finance ("Department") will determine and release the solar land base rates for the north, central, and south regions of the State. In calculating the base rate, the Department will determine the median true tax value ("TTV") per acre of land in the region classified under the utility property class codes of the Department for the immediately preceding year.

The following 2021 median solar land base rates[2] will apply to the January 1, 2022, assessment date:

North – Utility (800 Property Class Codes)

	2019	2020	2021
Median	$11,320	$11,830	$12,870

Central – Utility (800 Property Class Codes)

	2019	2020	2021
Median	$13,070	$13,070	$13,000

South – Utility (800 Property Class Codes)

	2019	2020	2021
Median	$5,220	$5,120	$5,250

[1] The land base rate will apply to the land underneath a solar panel, as well as the land in between and immediately surrounding the solar panels.

[2] The "2021" column for each region represents the land base rate (rounded to the nearest $10) for the January 1, 2022, assessment date. The median values for 2019 and 2020 have been provided as additional historical data.

SECTION 3. IC 6-1.1-8-24.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVEUPONPASSAGE]: Sec. 24.5. The department of local government finance shall annually determine and release a solar land base rate for the north region, the central region, and the south region of the state as follows: (1) For each region, the department shall determine the median true tax value per acre of all land in the region classified under the utility property class codes of the department of local government finance for the immediately preceding assessment date. (2) The department shall release the department's annual determination of the solar land base rates on or before December 1 of each year.

The Economic Impact of Utility-Scale Solar in Noble County

It is understood that a decision to welcome a utility-scale solar operation into Noble County should not be based on economic impacts alone. Clearly, there are many other factors that need to be considered. Because the economic impacts of utility-scale solar would be significant, these impacts should also be considered in any decision about the future of such solar operations in Noble County.

Extensive research reveals the impacts are best described in four categories:

(1) Tax payments
(2) Payments in lieu of taxes or PILOTS
(3) Wage payments
(4) Indirect benefits to the community.

An analysis of each impact category below provides information about the impact of a utility-scale solar operation in Noble County. Included, where appropriate, are details taken from case studies of similar sized communities in Texas, Wisconsin, and Virginia that are contemplating or already moving forward with utility-scale solar projects.

Tax Payments

Recognizing that abatements could potentially factor into this analysis, tax payments from a utility-scale solar operation will be realized from both real and personal property tax collections. Based on the EDC's analysis of a potential project in Noble County, the estimated tax revenue (with a 10-year, sliding scale abatement factored in) would be $42 million over 30 years. Other communities that have completed similar analyses have arrived at similar results. Consider:

- In nearby St. Joseph County, construction of the Honeysuckle solar farm is about to begin. Local leaders are projecting that this project would provide a $30 million dollar boost in tax revenue over the next 30 years. The same is true for a similar project in Rush and Henry Counties where Project Bellflower is projected to increase tax revenues by $30 million over the life of the project.

- A 100MW solar deployment scenario was evaluated by Ohio University to determine the tax impact that could result from such a project. Ohio has a different tax structure than Indiana and allows counties to create a $7,000 per MW nameplate capacity service tax payment in lieu of property taxes. Using this information, projected tax payments to a community for a 100MW solar field would be $700,000 per year. Ohio has indicated that this tax revenue will benefit local schools, health systems, senior citizens, and many other aspects of rural Ohio counties and communities.

- The Badger State Solar Project in rural Wisconsin will be a 149MW, 1200-acre utility scale solar operation. Based on an analysis completed by Illinois State University, the project will be a significant source of new local tax revenue, with nearly $600,000 expected in annual shared revenue compared to the $20,000 in revenue that had historically been collected. Over 25 years, this analysis projected $15 million in shared revenue for the county and townships involved.

- In McCamey, Texas (Upton County), construction of a 497MW, 2700-acre solar field began in 2019. The investment in this utility-scale solar operation is projected to be $360 million when finished. Local calculations of tax collections over a 25-year lifetime were projected to be near $60 million more than would have been collected without the project. A commitment has been made to Upton County and McCarney to use these resources in support of local businesses, community improvement/infrastructure projects, and workforce development opportunities.

- Three rural regions in Virginia (south central, north central, and southeastern) had an analysis completed on the economic impacts of a 100MW, $134 million utility-scale solar operation. This analysis was completed by Magnum Economics, an independent firm that specializes in producing objective economic analyses in support of strategic decisions. These three regional analyses were done a little differently, comparing the tax revenue to be collected from a utility-scale solar operation with that to be collected from agricultural or industrial operations on the same land. While the numbers varied from region to region, on average, it was concluded that a utility-scale solar operation would generate five times more tax revenue than other noted uses on the same land.

- The University of North Carolina (UNC) completed a data analysis on over 100 utility scale solar projects in over 50 counties across North Carolina. Across these projects, this analysis determined that solar farms increase county taxes derived from the land on which the projects are constructed by approximately 1,000-10,000%.

Payments in Lieu of Taxes (PILOTs)

The great majority of utility-scale solar operations include a Payment in Lieu of Taxes (PILOT). In Indiana, this has often been called an economic development agreement (EDA). The amount of this payment will certainly vary from project to project but could range from $4-$8 million spread out over a few years (typically 5-10 years). Two northeast Indiana counties are currently negotiating EDAs with a commercial solar company and negotiations are proceeding appropriately. Similarly, projects in other states have also generated additional economic impact through PILOT payments including Upton County, TX. When done correctly, these PILOT payments generate revenue with greater flexibility and fewer strings attached, giving local communities the ability to invest in much-needed infrastructure, workforce, and/or education projects.

Wage Payments

When it comes to wages, most assessments of economic impact from utility-scale solar operations are done in two phases: (1) the construction phase and (2) ongoing maintenance and operations. Both phases typically have a significant and positive impact on a county/community. For context, consider the following three projects for which information is specifically available:

- To build a $128 million Hayward Solar Project planned in Freeborn County, Minnesota, the developer will hire 204 workers at the site and pay nearly $8 million in wages and salaries to these workers during the construction phase. In addition, the University of Minnesota projects the community will gain an additional 115 jobs in industries such as health care, professional services, and others. Once the solar field is up and running, the developer is projecting annual spending on operations and maintenance to be $2.2 million. The developer will also hire four workers to maintain the site.

- To support the construction of the 2,700-acre solar field in McCamey, Texas, the developer paid out nearly $20 million in wages to 400 construction-related workers at the site. A local analysis calculated that $8 million of this total was then "recirculated in the local economy." Once all phases of construction are finished, the developer intends to maintain a team of six workers and has purchased an old downtown post office that will serve as its base of operations.

- Project Honeysuckle, a $165 million, 150MW solar farm on nearly 1,100 acres in St. Joseph County, intends to employ 150-200 workers during the construction phase of its operations. The majority of these workers will be local. This same developer is also managing Project Bellflower in Henry and Rush Counties (Indiana), a 173MW, $175 million project, and will employ 200 workers during construction.

Another consideration should come into play as part of this analysis. In McCamey, Texas, based on the terms of the abatement negotiated with the county, the developer must meet minimum local hiring requirements during all phases of the development. Closer to home, the developer for Project Honeysuckle has agreed that 75% of its workforce across all phases of the project will come from local labor. To maximize the local economic benefit of a utility-scale solar project in Noble County, hiring commitments like these just make sense.

Indirect Economic Benefits

While the increased revenue generated as a result of a utility-scale solar project is certainly significant, it is important to note that communities with solar projects have seen significant other positive economic impacts from these projects. Below are just a few examples:

- **Support of local businesses**

  In McCamey, Texas, local estimates show that $8 million of the $20 million paid in wages during the construction phase were recirculated in the local economy. Construction of this facility took

19 months to complete and, by all accounts, had a significant impact on the local economy. One local judge was quoted as saying "the greatest thing the project has done for McCamey is support its local businesses." This appears to be the case for other utility-scale solar projects as well. According to CohnReznick's Advisory Team (CPAs and tax accountants), "it's important to highlight that the concentration of investment for these new projects has the potential to turn around an entire local economy, with direct benefits to both landowners and local residents." The reason for this, they add, is that "income earned by this labor pool is often spent in the workers local economy – adding to a "multiplier effect" of the original investment by the developer."

- **Educational Partnerships**
  By their very nature, solar projects appear to bring with them opportunities for partnering with local school systems. In McCamey, Texas, the developer partnered with local schools on elements of their curriculum and offered scholarships to local students pursuing career pathways in renewable energy studies. The focus of these efforts has been on Science, Technology, Engineering, and Math (STEM) activities. This has become a key component of the developer's community investment strategy. Similar educational partnerships have been established at other utility-scale solar sites including the Bellflower solar farm, which is committed to providing educational, research, and scholarship opportunities for students at local schools and universities.

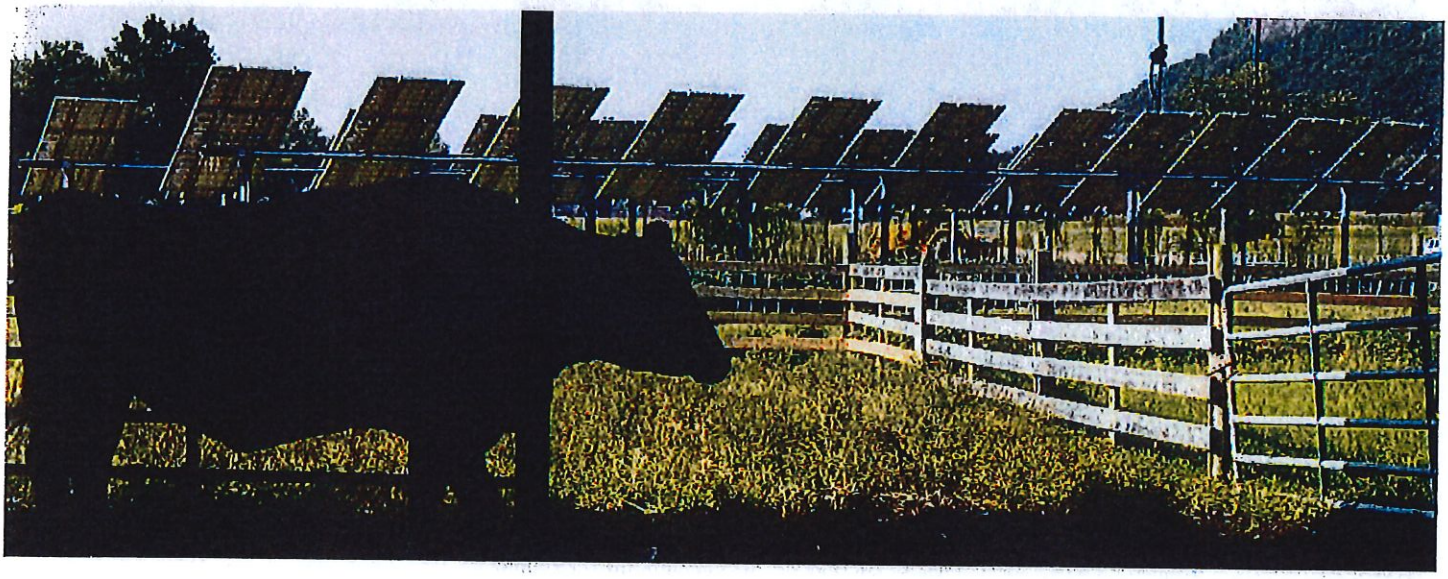
- **Community Engagement**
  Utility-scale solar operations have also had positive economic impact through philanthropic commitments to the communities in which they operate. The Bellflower Project, for instance, has established a Community Fund to support educational opportunities and voluntary emergency services in Rush and Henry Counties (Indiana). Similarly, the Elm Branch solar project in Texas and the Honeysuckle project in St. Joseph County both committed to dedicating funds to philanthropic activities and investments in local organizations.

- **Housing Opportunities**
  Because of the sheer size of the investment and the multi-year construction workforce, it is certainly possible to leverage the opportunity to generate new housing developments - which are clearly needed in Noble County. In McCamey, Texas, the community worked with developers to build three new apartment complexes to address short term housing needs associated with the project. These complexes addressed long-term housing needs that had plagued the community for decades. They remain occupied today.

- **Competitive Economic Development Environment**
  Industrial development is increasingly sensitive to the proportion of energy that is provided through renewable sources. A utility-scale solar energy project in Noble County would represent an opportunity to attract and retain a variety of businesses to Noble County. In

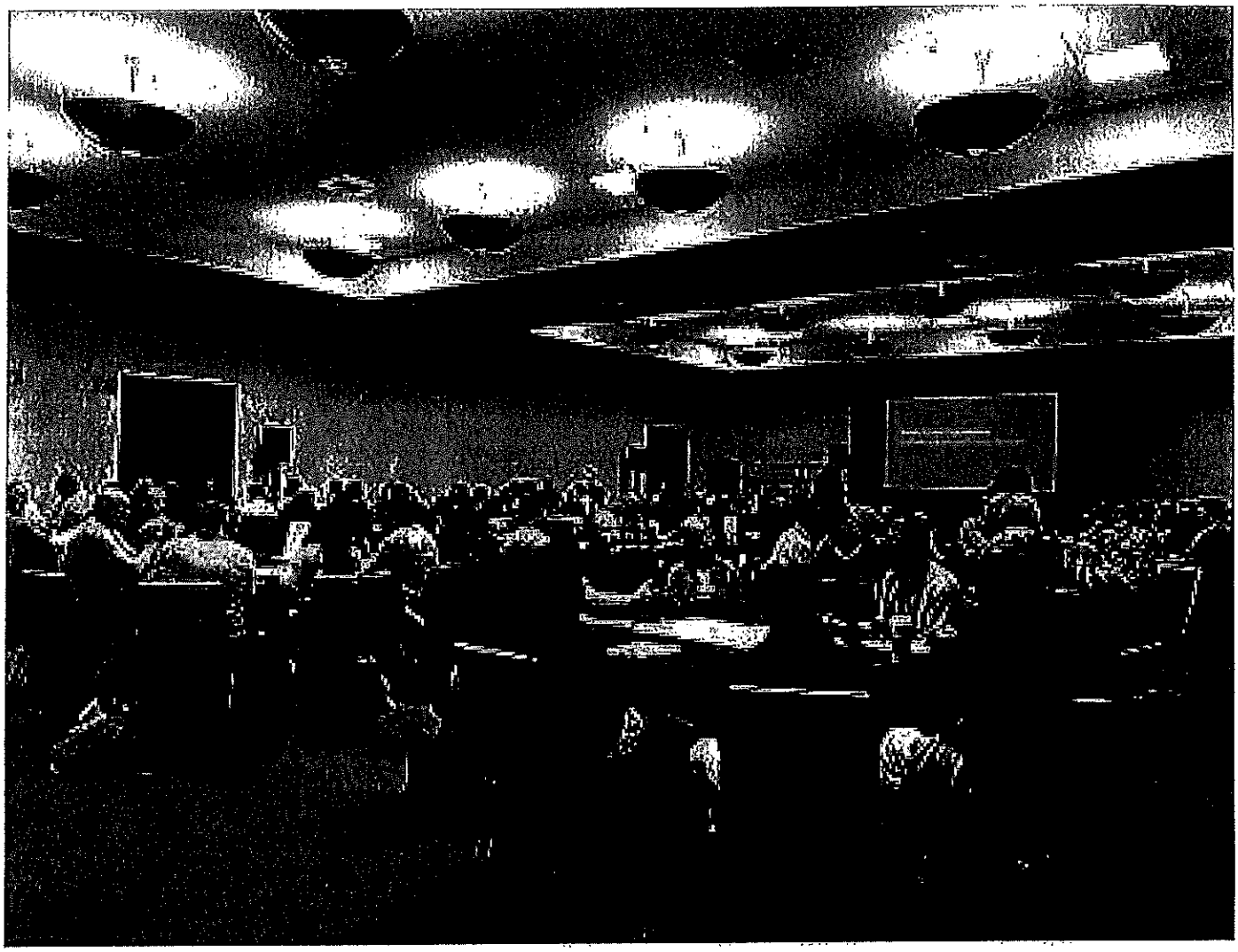
today's climate, business and industry leaders are aggressively working to meet progressive corporate sustainability missions and hedge against future electricity price increases. In fact, over 85% of US corporations today file corporate sustainability reports for their shareholders and stakeholders. A local commitment to a utility scale solar project will make Noble County more competitive in its broader economic development strategies, especially since sustainable strategies are often deemed a signal of strong community leadership today.

It's Not Necessarily Solar vs. Agriculture



When the topic of solar development comes up in rural communities, it is not uncommon for the first reaction to be fear that it will negatively impact agricultural activities. Residents and elected officials alike might assume that these two land uses are fundamentally at odds.

This is not necessarily the case; preserving agricultural activities (or identity) in a community and making space for large-scale solar facilities are not mutually exclusive goals. For solar development to be seen as a valid form of positive community change, planners, local officials, and solar developers will need to counter the narrative that agriculture and solar energy are inherently in conflict.



Participants at the Solar@Scale learning lab share takeaways and insights about solar development and agriculture in small groups. Photo by Alexsandra Gomez

This was the focus of "Striking a Balance Between Solar Development and Agriculture," a recent Solar@Scale (/publications/document/9222548/)-sponsored learning lab at NPC22 in San Diego. During the session, participants worked in small groups to identify actual or perceived conflicts and then generate potential ways to eliminate or mitigate them.

Some of the common perceived or actual threats associated with solar development include unwanted aesthetic changes, loss of livelihoods or heritage, inequitable distribution of benefits, and negative ecological impacts. Fortunately, though, local officials or developers can often minimize or eliminate these threats through siting and project design decisions.

ADDRESSING POTENTIAL THREATS

The first step should be education on what a community can reasonably request from solar developers. This knowledge can facilitate community buy-in early in the process and allow local officials to establish policies and developers to implement interventions that achieve the chosen co-benefits.

Residents of rural communities are often hesitant to have scenic views or general character disrupted by solar development. Potential solutions include appropriate landscaping and fencing that can blend solar facilities into the scenery. A community may also request that a developer invest in preservation of forests or other natural features off-site. Residents can gain familiarity with the actual environmental impacts of a solar facility, instead of preconceived ideas of the level of noise and glare, by visiting existing sites.

Threats to local ecology can be just as important to residents as aesthetics. Developers can ease these concerns by integrating wildlife corridors, pollinator-friendly or native vegetation, and activities such as restorative soil management into their project. They can also exhibit a genuine effort to repurpose previously developed sites, including capped landfills or other brownfields, before choosing to site near or on prime farmland.

The fear of losing traditional livelihoods or agricultural heritage is another common concern. But in many cases, small farms can become more viable with additional income from hosting solar facilities. Co-location of solar and agriculture, or agrivoltaics, is an increasingly feasible solution, such as combining grazing land or shade-grown crops with solar facilities. Another potential solution could be requiring developers to support agricultural activities in areas of the community that are not suitable for solar development. This can reduce competition for land while maintaining local agricultural heritage.

And as with any form of new development, residents may be skeptical of the distribution of benefits. Solar development projects will have to demonstrate that they will provide clear benefits for existing residents — and that those benefits will be equitably distributed. They can also explicitly target benefits to residents that current and past development has underserved, thus resolving economic inequalities and building the local economy.

By being aware of the reasoning behind local opposition to solar development, planners and policymakers can assist a "win-win" scenario where developers meet the needs of residents. Instead of ignoring these concerns, addressing the root of misconceptions is the first step to establishing a new narrative that agriculture and solar can exist side by side in a community.

Have a question about Solar@Scale or want to share your experiences with planning and zoning for large-scale solar development? Contact solar@planning.org (mailto:solar@planning.org).

***Top image:** Photo by Dennis Schroeder / NREL.*

ABOUT THE AUTHORS

Alexsandra Gomez is a research associate with APA.

JUNE 3, 2022

By Alexsandra Gomez

Tags: APA Research, (/blog/?tags=1726) Sustainability, (/blog/?tags=1375) Energy, (/blog/?tags=96) Food Systems, (/blog/?tags=97) Natural Resources and Environment (/blog/?tags=95)

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