

# County of Dinwiddie Board of Supervisors

## MINUTES

**Joint Meeting with the Dinwiddie County Planning Commission – December 11, 2019, 6:01 PM**

Training Meeting Room, Dinwiddie Government Center

14010 Boydton Plank Road, Dinwiddie, Virginia

### **Supervisors Present:**

William D. Chavis, <i>Chair</i>	Election District 3
Daniel D. Lee, <i>Vice Chair</i>	Election District 4
Harrison A. Moody	Election District 1
Dr. Mark E. Moore	Election District 2
Brenda Ebron-Bonner (arrived at 6:07 PM)	Election District 5

### **Administration Present:**

W. Kevin Massengill, *County Administrator*  
 Tammie Collins, *Deputy County Administrator,*  
*Planning and Community Development*  
 Mark Bassett, *Planning Director*  
 Tyler Southall, *County Attorney*  
 Mike Drewry, *Assistant County Attorney*

### **Commissioners Present:**



Everette Prorise	Election District 1
Edward Titmus, III	Election District 2
John Harvell	Election District 3
Calvin Cunningham	Election District 4
Anthony Simmons (arrived at 6:06 PM)	Election District 5
Samuel Hayes (arrived at 6:19 PM)	At Large
Thomas Tucker	At Large


**1. CALL TO ORDER**

**2. ROLL CALL**

**3. SOLAR ENERGY FACILITIES**

Joe Lerch of Virginia Association of Counties provided the following presentation on solar energy facilities

<p>Utility-Scale Solar &amp; Local Taxation December 11, 2019</p> <p>Joe Lerch, AICP Director of Local Government Policy Virginia Association of Counties</p>  <p>Virginia Association of Counties</p>	<p style="text-align: center;"><b>Utility-Scale Solar Energy (USSE) in Virginia</b></p> <ul style="list-style-type: none"> <li>• Typically projects with electric generation capacity of 5 Megawatts (MW) or more.</li> <li>• 1 MW of solar panels occupies approximately 10 acres of land.</li> </ul> 
<p><b>State-mandated Exemption for Machinery &amp; Tool Tax (M&amp;T)</b></p> <p>100% exemptions for:</p> <ul style="list-style-type: none"> <li>• 20MW or less (interconnection request filed on or before 12-31-2018);</li> <li>• 20MW or less that serve public or private colleges; and</li> <li>• 5MW or less (interconnection request is filed on or after 1-1-2019).</li> </ul> <p>80% exemptions for:</p> <ul style="list-style-type: none"> <li>• Projects greater than 20MW (interconnection requested filed before 7-1-2018)</li> <li>• Greater than 20MW and less than 150MW (interconnection request was filed after 7-1-2018);</li> </ul> <p style="text-align: center;">Local Option for 150MW and above</p> <p style="text-align: center;">Exemption for 20MW-150MW sunsets January 1, 2024</p>	<p><b>Impact of Applicable Local Government Taxes on Utility Scale Solar</b></p> <ul style="list-style-type: none"> <li>• M&amp;T Tax exemption does not apply to the real estate;</li> <li>• Nuance in application of M&amp;T –projects greater than 25 MW are taxed at the applicable real estate rate. In most counties the result is significantly less revenue over the life of a project;</li> <li>• 5 years of Rollback taxes on real estate due on land no longer eligible for use valuation (farmland, timber); and</li> <li>• Real estate currently assessed under agricultural use designation will change to industrial/commercial use designation.</li> </ul>
<p><b>Impact of Applicable Local Government Taxes (cont.)</b> Depreciation schedule for value of utility-scale solar equipment</p> <ul style="list-style-type: none"> <li>• Virginia State Corporation Commission (SCC) Public Service Taxation Division developed a depreciation schedule for the fair market value (FMV) of utility-scale solar equipment (above 25 MW);</li> <li>• Years 1 through 5 the taxable FMV is 90% of original capitalized costs; and</li> <li>• Percentage of taxable FMV declines steadily years 6 through 23, and reaches a floor of 10% in year 24 and beyond.</li> </ul>	<p style="text-align: center;"><b>Example: M&amp;T Revenue Estimate for Dinwiddie County</b> 20 MW Facility – 35 Years</p> <p>INPUTS:</p> <ol style="list-style-type: none"> <li>1. Original Cost (OC) of construction is approximately \$40 million; and</li> <li>2. M&amp;T tax effective rate of \$0.66 per \$100 of assessed value.</li> </ol> <p>Mandatory M&amp;T exemption reduces annual revenue from \$266,144 to \$53,229</p> <p style="text-align: center;">35 years at full effective rate = \$9,315,029</p> <p style="text-align: center;">35 years at mandated 80% exemption = \$1,863,006</p>

<p style="text-align: center;"><b>Example: M&amp;T Revenue Estimate for Dinwiddie County</b> 50 MW Facility – 35 Years</p> <p>INPUTS:</p> <ol style="list-style-type: none"> <li>1. Original Cost (OC) of construction is approximately \$100 million;</li> <li>2. SCC Depreciation Schedule;</li> <li>3. Assessment to Sales Ratio; and</li> <li>4. Real Estate rate of \$0.79 per \$100 of assessed value.</li> </ol> <p style="text-align: center;">35 years at Real Estate rate = \$12,270,887</p> <p style="text-align: center;">35 years at mandated 80% exemption = \$2,454,177</p>	<p style="text-align: center;"><b>2020 VACo Legislative Position</b></p> <p>VACo supports returning the authority to counties to determine local tax incentives for utility-scale solar installations and opposes any expansion or extension of the state-mandated tax exemption on local property taxes for solar equipment. Additionally, VACo supports maintaining local authority to address all impacts associated with utility-scale solar projects.</p> 
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After the presentation, discussion was had regarding the pros and cons of such facilities in Dinwiddie County.

**5. 2020 COMPREHENSIVE PLAN**

Mr. Bassett provided an update on the upcoming Comprehensive Plan update, the schedule, and the importance of the document. Ms. Tammie Collins established committee assignments as follows:

Land Use: Mark Bassett and Samuel Hayes;

Community Facilities: Tammie Collins, John Harvell, and Everette Prosis;

Recreation: Ray Vines and Calvin Cunningham; and

Economic Development: Morgan Ingram and Edward Titmus, III.

**6. SUBDIVISION REQUIREMENTS**

Mr. Bassett shared a map that shows recent residential development, which is scattered all across the County on three to five acre lots. He shared that the majority of the development is by right, or subdivisions approved prior to the economic downturn. Mr. Lee and Mr. Prosis discussed the need for clear expectations for the developers going forward.

The Planning Commissioners and Board Members also discussed the need for multifamily housing and retirement communities. Mr. Massengill stated that infrastructure is required for such development, and the northeast portion of the County is where developers are interested in bringing multifamily housing due to the availability of water and sewer. They also agreed that they would like for development, in general, to be focused in that area.

The discussion concluded by Mr. Bassett stating that the Subdivision Committee may have to reconvene in order to make decisions regarding future development in the County. Mr. Massengill agreed, stating that if anyone is interested, to please let Mr. Bassett know. Mr. Moody thanked the Planning Commission for all of their hard work.

**7. ADJOURNMENT**

*Upon motion of Mr. Moody, seconded by Mr. Lee, the meeting was adjourned by the Board of Supervisors at 7:31 PM.*

AYES: Mr. Moody, Dr. Moore, Mr. Lee, Ms. Ebron-Bonner, Mr. Chavis

NAYS: None

*Upon motion of Mr. Tucker, seconded by Mr. Cunningham, the meeting was also adjourned by the Planning Commission with all members voting AYE.*

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William D. Chavis  
Chair

ATTEST: \_\_\_\_\_  
W. Kevin Massengill  
County Administrator  
Clerk to the Board

/sbw