



CITY OF CONCORD

REPORT TO MAYOR AND CITY COUNCIL

FROM: Jonathan Rice, Director of Real Estate Assessments

DATE: July 15, 2024

SUBJECT: Payment in Lieu of Taxes Agreement between the City of Concord and Briar Hydro Associates for Rolfe Canal Falls, Penacook Upper Falls & Penacook Lower Falls

Recommendation

Request that the Mayor and Council accept this report and schedule for public hearing the authorization of the City Manager to sign the attached payment in lieu of taxes ("PILOT") agreement between the City of Concord and Briar Hydro Associates for the Rolfe Canal Falls, Penacook Upper Falls & Penacook Lower Falls.

Background

Briar Hydro Associates owns and operates three hydroelectric generating facilities along the Contoocook River:

1. The Rolfe Canal Falls (RCF) project; a 4.283 Megawatt generating facility located solely in Concord.
2. The Penacook Upper Falls (PUF) project, a 3.02 Megawatt generating facility, 66.42% of the project is in Concord and 33.58% of the project is in Boscawen.
3. The Penacook Lower Falls (PLF) a 4.11 Megawatt generating facility; 9.10% of the project is in Concord and 90.9% of the project is in Boscawen.

In 2007 the legislature amended RSA 72:74 by enacting SB 99 permitting municipalities to enter into PILOT agreements with renewable generation facilities. Briar Hydro and the City of Concord previously entered into agreements starting in 2018, the most recent expired on March 31, 2024.

The City of Concord and Briar Hydro Associates both would like to have a reasonable level of assurance of an expected income for budgeting purposes and an expected PILOT payment. The parties believe that this PILOT agreement will best achieve this assurance. The PILOT agreement is for 2 (two) years beginning April 1, 2024 and ending on March 31, 2026.

The Tax Year 2024 and Tax Year 2025 PILOT payments to the City shall each be \$255,000. (The previous PILOT minimum payment was \$225,000).

The attached PILOT agreement between the City of Concord and Briar Hydro Associates has been reviewed and agreed upon by the parties and requires City Council approval to allow the City Manager to execute on behalf of the council. By statute, the City Council's acceptance of the proposed PILOT agreements must be made following a public hearing.

Discussion

None.