

**COUNTY COUNCIL OF CECIL COUNTY, MARYLAND
LEGISLATIVE SESSION DAY 2017-24**

RESOLUTION NO. 59-2017

Title of Resolution: Agreement – Payment in lieu of Taxes (PILOT) – Unison Energy

Synopsis: A Resolution to approve the execution by the County Executive of an Agreement for Payments in Lieu of Taxes, PILOT, with Unison Energy.

Introduced by: Council President on behalf of the County Executive

Introduced and ordered posted on: December 19, 2017

Scheduled for consideration on: January 2, 2018

By: _____
Council Manager

Notice and title of Resolution having been posted by _____ at the County Administration Building, 200 Chesapeake Blvd., Elkton and consideration by the Council having been scheduled on _____.

By: _____
Council Manager

Explanation: CAPITAL LETTERS INDICATE LANGUAGE ADDED TO EXISTING DOCUMENT
~~Strike through~~ indicates language deleted from existing document
Underlining indicates language added to document by amendment.
~~Double Strike through~~ indicates language stricken from document by amendment

1 **WHEREAS**, Unison Energy (“Unison”) will design, purchase, install, own, operate and maintain a
2 2000kW Combined Heat and Power (“CHP”), tri-generation system at Union Hospital of Cecil County, Inc.
3 (the “Hospital”), which uses natural gas for the production of electricity, steam, hot water and chilled water
4 for the benefit of the Hospital at 106 Bow Street, Elkton, Maryland, 21921, (said work improvements
5 hereinafter collectively referred to as the “Project”); and

6 **WHEREAS**, in order to facilitate the qualifications for federal energy tax incentives and the
7 operation of the Project, Unison has requested that Cecil County, Maryland (the “County”) enter into a
8 Payment in Lieu of Taxes Agreement (the “PILOT Agreement”) with Unison, pursuant to which the Project
9 will be exempt from County personal property taxes in consideration of agreement to pay a negotiated
10 amount each tax year to the County in lieu of County personal property taxes; and

11 **WHEREAS**, Section 7-514(c) of the Tax-Property Article of the Annotated Code of Maryland (the
12 “Code”) provides, among other things, that a governing body of a county may enter into an agreement with
13 the owner of a facility for the generation of electricity for a negotiated payment by the owner in lieu of
14 taxes on the facility; and

15 **WHEREAS**, Unison is an owner of a facility for the generation of electricity on behalf of the Hospital
16 within the meaning of Section 7-514(c) of the Code; and

17 **WHEREAS**, pursuant to the PILOT Agreement, Unison, its successors or assigns, will pay in year one
18 of the term to the County in lieu of County personal property taxes, the amount of \$4,000.00 per year,
19 beginning July 1, 2018; and said payment shall continue until the ownership of the personal property
20 transfers to the Hospital, but not later than June 30, 2038, as provided in the attached Appendix A: PILOT
21 Agreement; and

22 **WHEREAS**, the County has determined that it should enter into a PILOT Agreement on the terms set
23 forth herein in order to facilitate the maintenance and operation of the Project and hereby make the
24 resources of a fully functioning community hospital in times of power failure available to citizens of the
25 County; and to continue to partner to share resources with the Hospital in the event of significant power
26 failure in Cecil County.

27 **NOW THEREFORE, BE IT HEREBY RESOLVED BY THE COUNTY COUNCIL OF CECIL COUNTY,**
28 **MARYLAND**, that the County Executive is hereby authorized and empowered to execute and deliver the
29 PILOT Agreement, which is attached hereto and incorporated by reference herein, on behalf of the County.

30 **AND, BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF CECIL COUNTY, MARYLAND,** that the
31 County Executive, prior to the execute and delivery of the PILOT Agreement, may make such changes or
32 modifications to the PILOT Agreement as he deems appropriate in order to accomplish the purpose of the
33 transaction authorized by this Resolution, provided that such changes or modifications shall be within the
34 scope of the transaction authorized by this Resolution, and the execution of the PILOT Agreement by the
35 County Executive shall be conclusive evidence of the approval by the County Executive of all changes or
36 modifications to the PILOT Agreement and the PILOT Agreement shall thereupon become binding upon the
37 County in accordance with its terms.

38 **AND, BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF CECIL COUNTY, MARYLAND,** that this
39 Resolution shall take effect on the date of its passage.

INTRODUCED: December 19, 2017

ADOPTED: _____

President of the Council

ATTEST:

Council Manager