

# Circle Power Renewables Offers Contracts to Officials to Guarantee New Property Tax Revenue

*Payment In Lieu of Taxes (PILT)*

*guarantees entities would receive \$15.9*

*million in property tax revenue even if future rules decreased the project's tax burden.*

HOUGHTON, MICHIGAN, UNITED STATES, February 9, 2022 /EINPresswire.com/ -- Earlier this

“

Host communities deserve to know they can count on our commitment, which is why we are offering this contractual, legally-binding guarantee.”

*Jordan Roberts, Circle Power Renewables CEO*

week, Circle Power Renewables shared draft Payment In Lieu of Taxes (PILT) contracts with local units of government that are slated to receive property tax revenue from the Scotia Wind project. If constructed, Scotia Wind is estimated to provide a minimum of \$15.9 million in new revenue to Adams Township, Adams Township Schools, Houghton County, and the Copper Country Intermediate School District.

Circle Power Renewables CEO Jordan Roberts had this to say about offering up the contracts, which would

guarantee the revenue to these entities:

“We heard real concerns from residents that we at Circle Power would try to lower our tax bill after Scotia Wind is permitted. However, when we said the project would result in at least \$15.9 million in new property tax revenue, we meant it. Host communities deserve to know they can count on our commitment, which is why we are offering this contractual, legally-binding guarantee.”

In putting together the draft PILT agreements, Circle Power Renewables turned to tax attorney Jack Van Coevering of Foster Swift. Van Coevering has represented many Michigan communities in defending property tax litigation, often after the taxpayer received tax incentives from the local government unit. He has been an outspoken advocate against the practice of companies using tax appeals, often without merit, to force local units to accept a lower valuation simply to avoid the cost of litigation. Van Coevering has long represented the City of Escanaba in its fight to defend against a “Dark Store” appeal.

“Tax appeals harm a local unit’s ability to maintain a stable budget and keep millage rates at acceptable levels,” said Van Coevering. “Financial uncertainty and the prospect of expensive litigation and costly refunds are significant threats to local units.” Van Coevering continued, “Entering a separately enforceable contract with businesses provides certainty apart from the many changes that may arise in tax law. It lends substance to the company’s promise of local goodwill. Working with Houghton County and Adams Township entities, Circle Power Renewables is acting in good faith and is willing to guarantee that this revenue will materialize. This allows local entities to budget appropriately and plan for the future.”

Proposed PILT	Houghton County	Adams Township	Adams Twp School Debt	Copper Country ISD	Total
Total	6,120,000	960,000	6,840,000	2,005,000	15,925,000
Year 1	450,000	70,000	500,000	150,000	1,170,000
Year 2	360,000	60,000	410,000	120,000	950,000
Year 3	340,000	60,000	380,000	110,000	890,000
Year 4	320,000	50,000	360,000	110,000	840,000
Year 5	280,000	50,000	310,000	90,000	730,000
Year 6	230,000	40,000	260,000	80,000	610,000
Year 7	210,000	40,000	230,000	70,000	550,000
Year 8	190,000	30,000	210,000	60,000	490,000
Year 9	170,000	30,000	190,000	60,000	450,000
Year 10	170,000	30,000	190,000	55,000	445,000
Years 11-30	170,000	25,000	190,000	55,000	440,000

This chart shows the proposed payment structure for each entity, totaling more than \$15.9 million over the lifespan of the project.

The proposed payment structure provides each entity with a minimum annual guarantee based on the Scotia Wind project’s estimated value. As is normal with property taxes, payments would gradually decrease on an annual basis based on a standard depreciation formula.

For more information, visit [www.scotiawindfarm.com](http://www.scotiawindfarm.com).

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