

ALAMOSA CITY COUNCIL

Work Session Agenda

425 4th Street, Fire Training Room., Alamosa, CO
May 24, 2017

As a full service municipal government, our mission is to enhance the quality of life for our residents, visitors, and businesses. We strive to provide balanced business, employment, recreational, and residential opportunities.

Any person needing reasonable accommodation to attend or participate in a public meeting, please contact the Alamosa City Clerk's office by telephone (719) 589-2593, by email cityclerk@ci.alamosa.co.us, in person at 300 Hunt Avenue, or by mail at POB 419, Alamosa, CO 81101.

6:00 PM -Work Session

Direction regarding potential Site Lease with Community Energy Inc. for the development of solar projects on City property

ALAMOSA CITY COUNCIL COUNCIL COMMUNICATION

Subject/Title:

Direction regarding potential Site Lease with Community Energy Inc. for the development of solar projects on City property

Recommended Action:

Staff recommends that Council consider the information provided by Community Energy Inc. and determine if there is enough interest in continuing conversations.

Background:

Mr. Tyson Taylor, Project Consultant with Community Energy Inc. contacted staff on April 5th inquiring if the City would be interested in leasing a portion of the ranch as part of Xcel Energy's Community Solar Garden program. Mr. Taylor has indicated that the discussions with potential land owners needs to occur quickly. Clearly there are many details that would need to be worked out through conversations such as the exact location of the facility, lease amount, landscaping/buffering, impact on current lease, etc. However, given the swiftness in which Community Energy Inc. is moving and the colorful political history of the ranch, staff felt it was prudent to bring the information to City Council to receive direction on if there is enough interest to continue the discussions.

Mr. Taylor will be present to offer more detailed information and answer questions. Below is the information that has been presented to staff thus far.

The project is part of Xcel Energy's Community Solar Garden program, which makes the panels available to local subscribers who want solar power but do not have land or roof space for panels. Community Energy Inc. typically leases the land for the term of the development, 20-30 years, after which the land is returned back to the landowner. They are proposing two facilities located City owned property (see attached maps). Also attached is a draft of the site control agreement, basically the term is 20-30 years to cover the life of the project. Community Energy Inc. is offering to pay \$500 per acre, per year after the project goes operational.

Issue Before the Council:

Does Council wish to have staff continue discussions with Community Energy Inc.?

Alternatives:

Council can direct staff to continue discussions, provide direction for those discussions, or indicate that there is not enough interest to warrant continued discussions.

Fiscal Impact:

The City currently has a lease for \$10,000/year that allows cattle on the ranch. We are unsure how this property could potentially impact that lease agreement and if changes would be amenable with the current lessee.

Legal Opinion:

The City Attorney will be present for any questions.

Conclusion:

Community Energy Inc. has indicated that the discussions regarding the potential lease of ranch property must occur quickly, which has prompted staff to bring the issue before Council to determine what the potential interest is for continued discussions.

ATTACHMENTS:

Description		Type
▣	Site Lease Agreement	Backup Material
▣	North Site	Backup Material
▣	South Site	Backup Material

SOLAR FARM SITE CONTROL AGREEMENT

This Solar Farm Site Control Agreement ("*Agreement*") is entered into as of _____ ("*Effective Date*"), by and between _____ with an address of _____ ("*Landowner*") and Community Energy Solar Development LLC, a Delaware limited liability company, with an address of 3 Radnor Corporate Center, 100 Matsonford Road, Suite 300, Radnor, PA 19087 ("*Company*").

RECITALS

- A.** Company and Landowner are engaged in negotiations to enter into a ground lease for purposes of developing and operating a solar energy facility ("*Solar Facility*") located on certain real property owned by Landowner and located in Monte Vista, Colorado, as further described and depicted on Exhibit A which is attached hereto and incorporated herein by this reference (the "*Property*").
- B.** If the above negotiations result in the full execution of a binding ground lease, the Solar Facility will consist of ground mounted photovoltaic solar panels, cabling, inverters, transformers, equipment necessary for interconnecting the Solar Facility to the electrical distribution or transmission system and all other facilities and improvements necessary for operation and maintenance of the Solar Facility.
- C.** Company intends to undertake due diligence investigations of the suitability of Landowner's Property for the development, construction and operation of the Solar Facility.
- D.** Landowner is willing to cooperate with development of the Solar Facility and will work with Company and its affiliates in good faith negotiations towards a mutually acceptable ground lease agreement.

AGREEMENT

THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landowner and Company agree to the following terms:

1. Cooperation in Development Activities. Landowner agrees to cooperate with Company in its development activities as follows:

- a. Landowner agrees to allow Company to include its Property in applications, drawings or exhibits that may be used related to the development of a Solar Facility on the Property.
- b. Landowner agrees to grant Company, its employees, agents, contractors or subcontractors, at Company's sole cost and expense, the right to enter the Property for purposes of conducting due diligence for the Solar Facility, subject to twenty-four (24) hours prior notice of the date and time of the entry and of the specific inspections to be undertaken from Company and written approval, including email (if Landowner's email is provided below), of Landowner, not to be unreasonably withheld. Due diligence purposes include, but are not limited to,

surveying, soil borings, environmental assessments, the temporary (time frame coincident with the Term, as defined below, of this Agreement) installation, inspection, maintenance and removal of solar resource monitoring equipment and other related activities necessary for the development of the Solar Facility.

Landowner or Landowner's agent shall have the right to accompany Company and each of its representatives during any entry.

Upon completion of the inspection and tests, Company, at Company's sole cost and expense, shall fill all test holes and excavations, repair all damage to the Property, return the Property to its original state, and shall remove any debris caused by any inspection, test or sampling performed on behalf of Company.

c. Company agrees to indemnify and hold harmless Landowner from and against any and all damages, claims, actions, penalties, liabilities, judgments, losses and expenses, including attorney's fees and litigation costs, incurred by or asserted against Landowner as a result of or arising out of (i) Company's entry upon the Property; (ii) the entry of any individuals conducting or assisting in the studies, tests, borings, surveys, evaluations or inspections at the Property on behalf of Company; and (iii) location of any equipment on the Property by Company or any individuals conducting or assisting in the studies, tests, borings, surveys, evaluations or inspections at the Property on behalf of Company;

d. During the Term of this Agreement, Landowner shall not enter into any agreement that would otherwise preclude Company from developing the Solar Facility on the Property. This provision shall not prohibit Landowner from negotiating the sale or lease of the Property to any third party during the Term of this Agreement.

2. Term. This Agreement will be effective as of the Effective Date and shall automatically expire two years (2) after the Effective Date, upon the execution of a ground lease agreement between the parties or upon the termination of this Agreement in accordance with Article 8, below, whichever occurs first.

3. Payments to Landowner.

a. In consideration for entering into this Agreement, Company shall pay Landowner a one-time payment of Five Hundred Dollars (\$500). Company further agrees to compensate Landowner for any loss or destruction of crops or timber resulting from its activities on the Property at a rate equal to the fair market value.

b. Landlord shall furnish Tenant with a signed, completed form W-9 within ten (10) days following the Effective Date and thereafter within thirty (30) days of any event causing a change in any of the information set forth in the previously-delivered W-9, including any transfer or assignment of the Landlord's interest. For convenience, a form W-9 is attached.

4. **Future Lease Terms.** The parties hereto intend, but in no event shall be obligated, to execute a ground lease agreement (the "Lease") which shall contain the following agreed upon terms, among others:

a. Development Feasibility Term Rent. \$500.00 per year.

b. Commercial Term Rent. \$500.00 per acre per year, escalating at 1% annually.

c. Development Feasibility Term. The Development Feasibility Term shall commence on the effective date of the Lease and end on the earlier to occur of the Commercialization Date or two (2) years after the effective date of the Lease (the "*Development Feasibility Term*").

d. Commercial Term. The Commercial Term shall last for a period of thirty (30) years, subject to two (2), five (5) year options to extend at Company's discretion. During the Commercial Term, Company shall be responsible to pay Commercial Term Rent (as defined below), any increase in the property taxes, rental taxes, development fees and all improvements and costs associated with the development of the Solar Facility on the Property.

5. **Amendments.** No modification, extension, or renewal of this Agreement will be binding upon either party unless made in writing and signed by an authorized representative of each party.

6. **Confidential Information.** Landowner shall not publicly disclose the existence of this Agreement or its terms and conditions except to its attorneys, accountants or real estate brokers/agents. All documentation, technical and business information provided by Company to Landowner in the course of performing this Agreement shall be considered "Confidential Information" which Landowner agrees to hold in strictest confidence, and not to disclose to any person or use in any way for that party's own or another's benefit, except as provided above.

7. **Termination.** Company may terminate this Agreement as to all or any portion of the Property at any time during the Term of this Agreement. Company and Landowner agree that the execution of this Agreement shall not obligate either party to subsequently execute a ground lease.

8. **Landowner Contact Information.**

Landowner Name:

Landowner Address:

Landowner Phone:

Landowner Email:

9. **Successors and Assigns.** This Agreement shall run with the land, and may be assigned subject to the same terms and conditions. This Agreement shall inure to the benefit of and be binding upon the parties, their heirs, successors and assigns.

10. Further Assurances. Each party agrees to cooperate with the other party and to execute any additional documents reasonably necessary or proper to carry out the provisions and spirit of this Agreement.

11. Entire Agreement. This written document constitutes the entire agreement between the parties as to the subject matter set forth herein and all prior or contemporaneous agreements, understandings and representations whether written or oral, between the parties relating to the subject matter set forth herein are merged in and are superseded by this Agreement. There are no oral promises, conditions, representations, understandings or terms of any kind as to the subject matter set forth herein otherwise in effect between the parties that are not set forth in this written contract document.

12. Counterparts. This Agreement may be executed in counterparts, which taken together shall constitute one agreement, binding on all the parties hereto even though all the parties are not signatories to the original or the same counterpart.

IN WITNESS WHEREOF, Landowner and Company have caused this Agreement to be executed and delivered by their duly authorized representatives as of the Effective Date.

Landowner:

Company:

**Community Energy Solar Development
LLC**

By: _____

By: _____

Name: _____

Name: _____

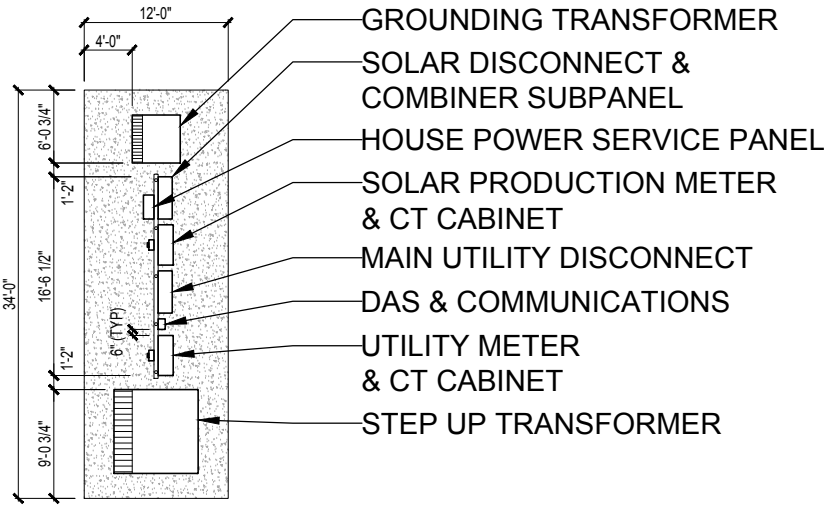
Title: _____

Title: _____

EXHIBIT A
SOLAR FARM SITE CONTROL AGREEMENT

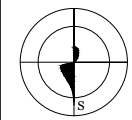
The Property shall include a portion of the parcel known as Tax ID _____ located at _____ totaling approximately 12 acres, as depicted in the map below:

SYSTEM DESCRIPTION	
SYSTEM SIZE (AC STC)	1.6 MW
SYSTEM SIZE (DC STC)	2.0 MW
MODULES	(6400) 310 WATT
INVERTERS	(80) SMA 20000TL (80 MODS EA.)
RACKING	SINGLE AXIS TRACKER 80 RACKS OF 80)



1 PROJECT LAYOUT
SCALE: 1" = 250'

ALAMOSA SOLAR NORTH CSG LLC - 2.0 MW-DC PV PROJECT - ALAMOSA, CO



DATE: 05.11.17

LOCATION: ALAMOSA, CO

LAT/LONG: 37.478518°,-105.866598°

THIS ENTAILS THE DEVELOPMENT AND INSTALLATION OF A 2 MW-DC SOLAR ELECTRIC GENERATION FACILITY TO BE INTERCONNECTED WITH THE LOCAL ELECTRIC GRID AT THE DISTRIBUTION LEVEL.

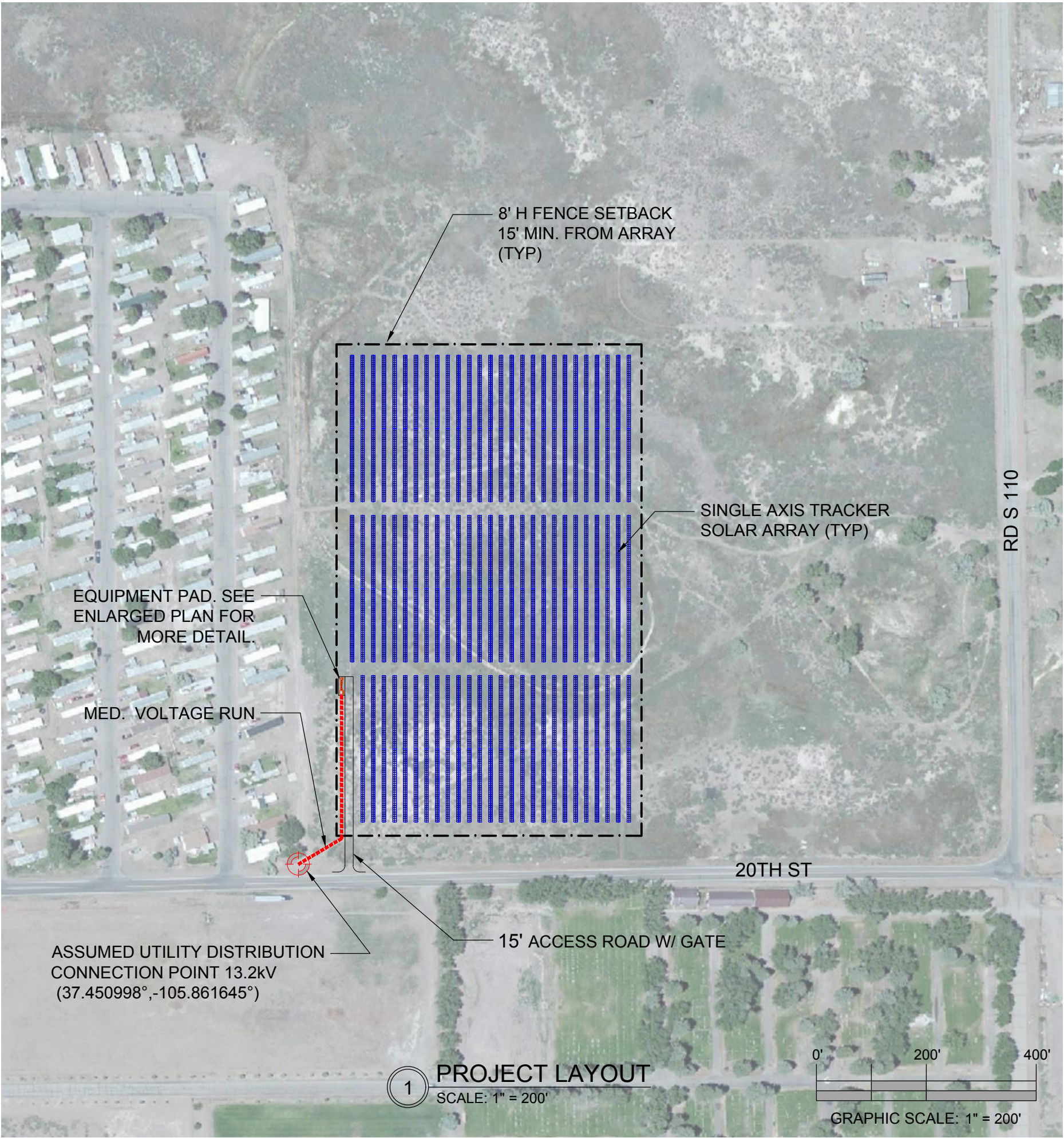
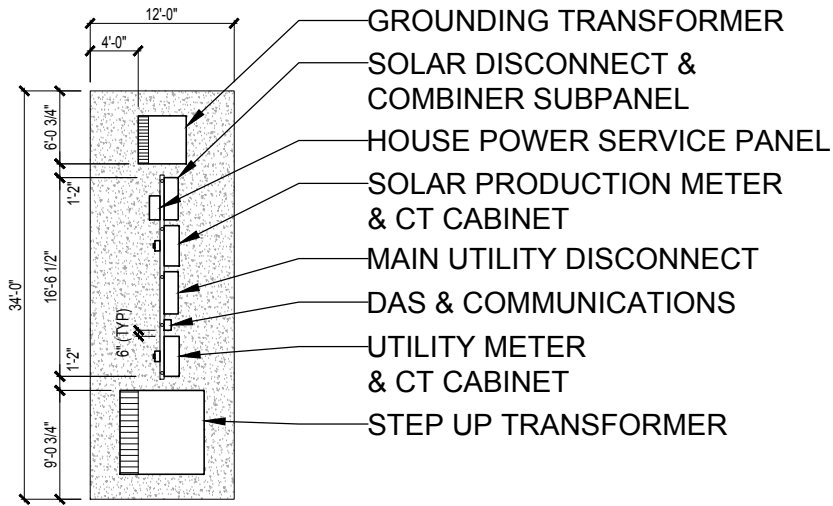
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COMMUNITY ENERGY SOLAR, LLC

3 RADNOR CORPORATE CENTER, SUITE 500
100 MATSONFORD RD.
RADNOR, PA, 19087
(484) 654-1877

SYSTEM DESCRIPTION	
SYSTEM SIZE (AC STC)	1.6 MW
SYSTEM SIZE (DC STC)	2.0 MW
MODULES	(6400) 310 WATT
INVERTERS	(80) SMA 20000TL (80 MODS EA.)
RACKING	SINGLE AXIS TRACKER 80 RACKS OF 80)



ALAMOSA SOLAR SOUTH CSG LLC - 2.0 MW-DC PV PROJECT - ALAMOSA, CO

DATE: 05.11.17

LOCATION: ALAMOSA, CO

LAT/LONG: 37.450998°, -105.861645°

COMMUNITY ENERGY SOLAR, LLC

3 RADNOR CORPORATE CENTER, SUITE 500
100 MATSONFORD RD.
RADNOR, PA, 19087
(484) 654-1877

THIS ENTAILS THE DEVELOPMENT AND INSTALLATION OF A 2 MW-DC SOLAR ELECTRIC GENERATION FACILITY TO BE INTERCONNECTED WITH THE LOCAL ELECTRIC GRID AT THE DISTRIBUTION LEVEL.

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