

STAFF REPORT
City of Lancaster

CC 8
03/25/14
MVB

Date: March 25, 2014

To: Mayor Parris and Council Members

From: Jason Caudle, Deputy City Manager

Subject: **Renewable Generating Facility Site Ground Lease between City of Lancaster and Mound Solar Owner VIII, LLC**

Recommendation:

Approve the Renewable Generating Facility Site Ground Lease (“Lease”) for 9.26 acres at the northeast corner of 3rd Street East and Kettering Street with Mound Solar Owner VIII, LLC (“Mound Solar”) and authorize the City Manager to execute all documents and make any non-substantive changes necessary to complete the transaction.

Fiscal Impact:

The City of Lancaster (“City”) will receive \$1,781.86 per acre annually for 20 years. Total anticipated lease revenues to equal \$330,000.47 as stated on the original lease agreement.

Background:

Staff has been working closely with US Topco (“Topco”) to develop an energy partnership that will allow for the development and construction of solar facilities throughout the City. On June 28, 2011, the LPA approved and subsequently entered into a Master Power Purchase and Sale Agreement (“MPPA”) for the purchase and sale of energy to SCE under the CREST program. Under the terms of this agreement the LPA leased land to Topco for the construction of a solar generation facility on approximately sixteen (16.5) acres of land near the old fairgrounds at Division Street and Avenue H-8. This solar farm has since been constructed and is operational as of the end of January 2014.

This Lease with Mound Solar, a Topco affiliate, for 9.26 acres at the northeast corner of 3rd Street East and Kettering Street is the sister project of the development at Division Street and Avenue H-8. This development will also sell energy to SCE under the CREST program and is expected to be constructed and operational by mid-summer 2014.

MB:hs

Attachment:

Renewable Generating Facility Site Ground Lease