



**NAPA-VALLEJO WASTE  
MANAGEMENT AUTHORITY**

Agenda Date: 12/16/2010

Agenda Placement: 7A

## Napa-Vallejo Waste Management Authority Board Agenda Letter

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**TO:** Board of Directors  
**FROM:** Luthy, Richard - Executive Director  
Napa-Vallejo Waste Management Authority  
**REPORT BY:** Richard Luthy, Executive Director, Napa-Vallejo Waste Management - 707-299-1314  
**SUBJECT:** Solar Project Lease Agreement

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### **RECOMMENDATION**

#### **LAND LEASE AGREEMENT - PUBLIC HEARING AT 9:00 A.M.**

REQUESTED ACTION: Discussion and possible adoption of Resolution No. 2011-03 providing tentative approval to Green Tech Power Group, LLC, for the lease and construction and operation of a solar power generating facility on a portion of APNs 058-020-012 and 058-050-042, pursuant to the Exclusive Right to Negotiate Agreement No. 09-11 and Resolution 09-10, adopted at a regular scheduled meeting held July 9, 2009.

### **EXECUTIVE SUMMARY**

approval of Resolution No. 2011-03 will provide tentative approval to Green Tech Power Group LLC (Green Tech) to break ground on the construction and operation of a solar power generating facility at the American Canyon Sanitary Landfill (ACLF) and will provide the Authority with revenues of approximately \$2.5 million over the 20-year life of the agreement. Ratification of this tentative approval will appear on the agenda for the regular meeting on January 6, 2011.

### **FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	The FY 2011 Budget anticipates revenues of \$150,000 from a solar power generation project lease.

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Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The depressed economy has produced lower volumes of incoming waste at the Devlin Road Transfer Station, with a corresponding lowering of revenues to support Authority operations. Approval of the lease agreement will provide the Authority with a boost in revenue during this difficult time.
Is the general fund affected?	No
Future fiscal impact:	The agreement is structured to provide higher payments in the first three years, which will be beneficial in meeting debt coverage ratios on the Authority's outstanding bonds. Lease payments will be lower after the bonds have been paid off.
Consequences if not approved:	The Authority will not realize \$150,000 of income budgeted for FY 2011, and will not receive future lease revenues to support Authority operations.
Additional Information:	

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: A Negative Declaration was previously adopted for the proposed project and project site in conjunction with the approval of Conditional Use Permit #P10-00139-UP on July 21, 2010. The site will be developed with 50 acres of a solar power generating facility. The proposed project is in substantial conformance with the project analyzed in the previously adopted Negative Declaration. No new potential environmental effects have been identified that were not previously addressed in the adopted Negative Declaration, and therefore, no further environmental documentation is necessary pursuant to State CEQA Guidelines Section 15162.

### **BACKGROUND AND DISCUSSION**

In July 2009, the Authority entered into an Exclusive Right to Negotiate agreement with Green Tech Power Group, LLC (Green Tech) to negotiate a Project Agreement and Ground Lease for a solar power generation system to be constructed at the closed American Canyon Sanitary Landfill (ACLF). The parties have been actively negotiating since that time, and Green Tech completed CEQA review and received a Conditional Use Permit for the project from the Napa County Planning Commission on July 21, 2010.

In order for Green Tech to receive certain state and federal incentives for the project, they must begin work before the end of this calendar year, however state law requires the agreement to be approved at a regularly scheduled meeting of the governing body. Because negotiations were not completed until very recently, staff was not able to schedule consideration of the agreement at a regularly scheduled meeting in 2010. The next regular meeting of the Authority Board does not take place until January 6, 2011. The proposed Resolution would provide tentative authorization of the project and allow work to begin prior to the end of the year. The agreement could then be scheduled for ratification and formal adoption at the regularly-scheduled January meeting. If the Board authorizes the tentative agreement, but does not ratify and formally approve the agreement at the January meeting, Green Tech would be required to cease work and restore the site to its original condition.

### **PROCEDURAL REQUIREMENTS**

1. Open Public Hearing.

2. Staff report.
3. Close Public Hearing.
4. Motion, second, discussion and vote on adoption of the resolution.

**SUPPORTING DOCUMENTS**

None

Manager: Approve  
Reviewed By: Martha Burdick