

ORDINANCE/RESOLUTION REQUEST

All Fields must be completed

Incomplete request forms will be returned to sender which may cause a delay in processing.

Date of Request: 05/23/2022

Please mark one: Bill Request or Resolution Request

1. Type of Request:

- Contract/Grant Agreement Intergovernmental Agreement (IGA) Rezoning/Text Amendment
- Dedication/Vacation Appropriation/Supplemental DRMC Change
- Other:

2. Title: Approves a ground lease agreement with Oak Leaf Solar 56, LLC (Oak Leaf) to construct a solar array located at Denver International Airport (DEN) between 114th Street and the Denver/Adams County border and east of N Trussville St. or a mutually agreeable location.

3. Requesting Agency: Department of Aviation

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Scott Morrissey	Name: Carolina Flores
Email: Scott.Morrissey@flydenver.com	Email: Carolina.Flores@flydenver.com

5. General description or background of proposed request. Attach executive summary if more space needed:
This requests initiation of a ground lease of approximately 64 acres, as determined by the parties and per the final site design, of the real property located at Denver International Airport (DEN) between 114th Street and the Denver/Adams County border and east of N Trussville St. or a mutually agreeable location, as a suitable location to construct a solar array. Oak Leaf Solar 56, LLC (Oak Leaf) will pay DEN \$675 per acre (prorated for any fractional acre) per year and a \$2,500 annual access license fee. Lease and license payments will begin at the Effective Date, defined as date the City executes this Agreement.

6. City Attorney assigned to this request (if applicable): Deb Overn

7. City Council District: District 11

8. **For all contracts, fill out and submit accompanying Key Contract Terms worksheet**

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property): Ground lease agreement

Vendor/Contractor Name: Oak Leaf Solar 56, LLC

Contract control number: 202262383

Location: Denver International Airport

Is this a new contract? Yes No **Is this an Amendment?** Yes No **If yes, how many?** _____

Contract Term/Duration (for amended contracts, include existing term dates and amended dates):

25 years 6 months

Contract Amount (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)
n/a	n/a	\$1,463,785

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
n/a	n/a	12/31/2049

Scope of work:

This requests initiation of a ground lease of approximately 64 acres, as determined by the parties and per the final site design, of the real property located at Denver International Airport (DEN) between 114th Street and the Denver/Adams County border and east of N Trussville St. or a mutually agreeable location, as a suitable location to construct a solar array. Oak Leaf Solar 56, LLC (Oak Leaf) will pay DEN \$675 per acre (prorated for any fractional acre) per year and a \$2,500 annual access license fee. Lease and license payments will begin at the Effective Date, defined as the date the City executes this Agreement.

Based on a 2% annual escalation rate, DEN would receive approximately \$1.4M in revenue over the 25-year term. In addition, the solar array is expected to generate over 560 million kWh of renewable electricity, nearly doubling the amount of solar interconnected to DEN's electric grid and avoiding over 500,000 tons of CO2 over its project life.

This is one of two agreements necessary to create the business structure for a 13 megawatt (MW) solar project. This agreement will need to be approved in conjunction with a Power Purchase Agreement (PPA) 202262492, DEN Solar IX Power Purchase Agreement.

Was this contractor selected by competitive process?

If not, why not?

Sole Source: This procurement qualifies for the Sole Source exception under Memorandum No. 8B and will not be competitively procured.

Large solar photovoltaic projects such as this are dependent on incentives provided by Xcel Energy. Xcel completed a competitive procurement process through their 2021 Solar*Rewards Large Program RFP and awarded capacity for this project to the developer of Solar VIII. Due to these incentives being awarded to Oak Leaf, no other solar developer has the ability to develop a solar project of this size within Xcel's solar incentive program under these financial terms.

Has this contractor provided these services to the City before? Yes No

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

Source of funds: Revenue

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): N/A

Who are the subcontractors to this contract? Konisto Companies LLC

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