



City of Harrisonburg, Virginia

Office of the City Manager

409 South Main Street
Harrisonburg, VA 22802
(540) 432-7701 / FAX (540) 432-7778

Eric D. Campbell
City Manager

TO: Eric Campbell, City Manager
FROM: Wesley Russ
DATE: November 2, 2020
RE: Lease of approximately 9.920 acres of land

Summary: A request to approve a proposed lease to Virginia Municipal Electric Association (VMEA) of approximately 9.920 acres of land for a solar power generation facility.

Background: This proposed lease relates to the land on Acorn Drive that HEC purchased after receiving City Council approval on August 25, 2020. The proposed lease is comprised of a Development and Construction Term of up to one year, followed by an Operations Term of 25 years.

As proposed, HEC would lease the land to VMEA, who would then sublease the land to Virginia Electric and Power Company (Dominion). Dominion would construct and operate the solar facility.

If the lease is approved, HEC would seek VMEA's approval of a Letter Supplement to the existing power purchase agreement that would ensure HEC is the purchaser of the Net Electrical Energy Output of the facility.

Key Issues: Prior to entering into a lease of public property in excess of five years, the City is required by Section 15.2-2100 of the Virginia Code to advertise the prospective lease and publicly receive bids.

Environmental Impact: To be discussed by Brian O'Dell, General Manager of HEC.

Fiscal Impact: To be discussed by Brian O'Dell, General Manager of HEC.

Prior Actions: On August 25, 2020, City Council approved a request from HEC to purchase the 9.920 acres of land.

Alternatives: (a) Authorize the execution of the lease for real property as presented;
(b); or Decline to authorize the execution of the lease.

Community Engagement: Notice of the proposed lease was published twice in the Daily News Record.

Recommendation: Staff recommends approval of the lease.

Attachments: Proposed lease agreement

Review:

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.

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