



# City of Sacramento City Council

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915 I Street, Sacramento, CA, 95814  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

**Meeting Date:** 6/7/2011

**Report Type:** Consent

**Title: (Financing Authority) Solar Photovoltaic System Landlordship Acknowledgement**

**Report ID:** 2011-00486

**Location:** Citywide

**Recommendation:** Adopt a Financing Authority Resolution authorizing the Sacramento City Financing Authority Treasurer to execute a Solar Photovoltaic System Landlordship Acknowledgement in connection with the City Council approved installation of solar panels on various City properties.

**Contact:** Yvette Rincon, Sustainability Program Manager, (916) 808-5827, General Services Department

**Presenter:** Not applicable

**Department:** General Services Dept

**Division:** Office of the Director

**Dept ID:** 13001021

## **Attachments:**

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1-Description/Analysis

2 - Resolution

3 - Exhibit A - Solar PV System Landlordship Acknowledgement

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### **City Attorney Review**

Approved as to Form  
Kourtney Burdick  
5/25/2011 10:25:33 AM

### **City Treasurer Review**

Prior Council Financial Policy Approval or  
Outside City Treasurer Scope  
Russell Fehr  
5/23/2011 10:08:03 AM

### **Approvals/Acknowledgements**

Department Director or Designee: Reina Schwartz - 5/24/2011 10:28:25 AM

Assistant City Manager: Patti Bisharat - 5/25/2011 10:02:21 AM



## Description/Analysis

**Issue:** On March 29, 2011, City Council adopted Resolution No. 2011-186, authorizing the City Manager to execute a 20-year power purchase agreement with SolarCity Corporation for the purchase of up to 2.2 megawatts of solar energy per year. Under the agreement, SolarCity agreed to install and maintain photovoltaic (PV) panels on various City facilities for the production of energy. SolarCity retains ownership of the panels and the City has agreed to purchase all of the power generated by the panels.

The City facilities upon which PV panels will be installed are City Hall, 300 Richards Boulevard, 24<sup>th</sup> Street Corporation Yard, and the Meadowview Service Center. The Financing Authority leases each of these properties, except 300 Richards Boulevard, to the City under the Master Site Lease.

By executing a Solar Photovoltaic System Landlordship Acknowledgement, the Financing Authority acknowledges and consents to the installation of the PV panels on the properties it leases to the City and agrees that it has no ownership interest in the panels once installed. Rather, the panels remain the property of SolarCity under the power purchase agreements until they are removed by SolarCity or purchased by the City.

**Policy Considerations:** Executing a Solar Photovoltaic System Landlordship Acknowledgement is requested by SolarCity to satisfy its investors and is consistent with Resolution No. 2011-186 adopted by City Council on March 29, 2011 authorizing the City Manager to execute a 20-year power purchase agreement with SolarCity Corporation for the purchase of up to 2.2 megawatts of solar energy per year.

### Environmental Considerations:

**California Environmental Quality Act (CEQA):** The Community Development Department, Environmental Planning Services Division has reviewed this project and determined that it is exempt from the provisions of CEQA under Section 15311, which exempts projects involving the placement of minor structures accessory to existing institutional facilities.

**Sustainability:** There are no sustainability considerations directly associated with executing the recommended Solar Photovoltaic System Landlordship Acknowledgement.

**Commission/Committee Action:** Not applicable

**Rationale for Recommendation:** Executing the recommended Solar Photovoltaic System Landlordship Acknowledgement is needed to facilitate the installation of PV panels on City facilities for the generation and purchase of 2.2 megawatts of solar energy for City facilities. This acknowledgement recognizes the PV equipment as property of SolarCity and ensures SolarCity that the City will not acquire the PV equipment as part of the City's property unless purchased directly.

**Financial Considerations:** The recommendation to execute a Solar Photovoltaic System Landlordship Acknowledgement in connection with the City Council approved installation of PV panels on various City properties does not result in any financial impact to the City.

**Emerging Small Business Development (ESBD):** At this time no goods or services are being purchased as a result of this report.



## **RESOLUTION NO. 2011-XXXX**

Adopted by the Sacramento Financing Authority

**June 7, 2011**

### **AUTHORIZING A SOLAR PHOTOVOLTAIC SYSTEM LANDLORD ACKNOWLEDGEMENT AGREEMENT**

#### **BACKGROUND**

- A. On March 29, 2011, City Council adopted Resolution No. 2011-186, authorizing the City Manager to execute a 20-year power purchase agreement with SolarCity Corporation for the purchase of up to 2.2 megawatts of solar energy per year. Under the agreement, SolarCity agreed to install and maintain photovoltaic (PV) panels on various City facilities for the production of energy. SolarCity retains ownership of the panels and the City has agreed to purchase all of the power generated by the panels.
- B. The City facilities upon which PV panels will be installed are City Hall, 300 Richards Boulevard, 24<sup>th</sup> Street Corporation Yard, and the Meadowview Service Center. The Financing Authority leases each of these properties, except 300 Richards Boulevard, to the City under the Master Site Lease.
- C. By executing a Solar Photovoltaic System Landlordship Acknowledgement, the Financing Authority acknowledges and consents to the installation of the PV panels on the properties it leases to the City and agrees that it has no ownership interest in the panels once installed.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE FINANCING AUTHORITY RESOLVES AS FOLLOWS:**

Section 1. The Sacramento City Financing Authority Treasurer is hereby authorized to execute the Solar Photovoltaic System Landlordship Acknowledgement (attached as Exhibit A) in connection with the City Council approved installation of solar panels on various City properties.

Section 2. Exhibit A is a part of this resolution.

#### **Table of Contents:**

Exhibit A: Solar Photovoltaic System Landlordship Acknowledgement

### **SOLAR PV SYSTEM LANDLORDSHIP ACKNOWLEDGEMENT**

The undersigned ("**Landlord**") acknowledges that the City of Sacramento (the "**Host**") entered into multiple power purchase agreements on March 29, 2011 (the "**Agreement**") with SolarCity Corporation (together with its successors and assigns, "**SolarCity**"), pursuant to which SolarCity will install its solar power generation system, including photovoltaic panels, inverters, racks, monitors, wiring and other related electrical devices, (collectively the "**PV System**"), on the real properties described on the attached **Exhibit A** (the "**Premises**"), for the purpose of generating power and selling such power to the Host. In return, Host will grant SolarCity a license to enter each of the Premises and install, construct, own, operate, maintain, repair or remove the PV System (the "**License**"). In connection with the Host and SolarCity executing the Agreements, Landlord hereby acknowledges and consents to the Agreements and Licenses as described above and acknowledges the following:

1. The PV Systems constitute personal property and are not a part of, an accession or addition to, or a fixture on the Premises.
2. The Host and the Landlord each waive any and all right, title and interest in the PV Systems and shall not acquire any such right title or interest by virtue of (i) the installation of the PV Systems on the Premises; or (ii) on account of any claim or right the Landlord may have against the Host.
3. If Landlord evicts Host and has provided written notice to SolarCity pursuant to Section 6 below, the Landlord may request in writing that SolarCity remove the PV System from the Premises. SolarCity shall commence removal within thirty (30) days of receipt of notification and shall use commercially reasonable efforts to complete the removal within a commercially reasonable period of time. SolarCity shall return the Premises to their original condition, excluding ordinary wear and tear, including the removal of PV-System mounting pads or other support structures. When removing the PV Systems, SolarCity shall not affect the integrity of the roofs at the Premises, which shall be as leak proof as they was prior to removal of the PV Systems and shall be flashed and/or patched to existing roof specifications. SolarCity shall leave the Premises in neat and clean order. If SolarCity does not commence removal within such period, the Landlord may, at SolarCity's cost and expense for all documented reasonable costs incurred, remove the PV System, using the degree of care it would use if the PV System was its own property. In the event of any eviction, or any other event where Host no longer occupies the Premises, the License shall continue unless and until the System is removed from the Premises.
4. Except as stated above in section 3, Landlord shall not remove any of the PV Systems from the Premises without SolarCity's prior written consent.
5. If SolarCity desires to record this acknowledgement in the appropriate state and county where the PV Systems are located, then Landlord agrees to cooperate in such recordation.
6. If Landlord sends Host a notice of eviction, then the Landlord shall use reasonable efforts to provide SolarCity a copy of such notice at 3055 Clearview Way, San Mateo, California 94402; attn: Legal.
7. This acknowledgement may be executed in any number of separate counterparts. Each counterpart shall be deemed an original.
8. SolarCity accepts this Solar PV System Landlordship Acknowledgement in lieu of Exhibit 5 ("Non-Disturbance Agreement (Lender)") in the Agreement.

*(Signature Page Follows)*

**Exhibit A**

**Real Property Descriptions**

#1

A PARCEL OF LAND LOCATED IN THE STATE OF CALIFORNIA, COUNTY OF SACRAMENTO, WITH A SITUS ADDRESS OF 5730 24TH ST, SACRAMENTO, CA 95822-3604 CURRENTLY OWNED BY CITY OF SACRAMENTO HAVING A TAX ASSESSOR NUMBER OF 035-0010-048-0000 AND BEING THE SAME PROPERTY MORE FULLY DESCRIBED AS POR OF THE CITY OF SACRAMENTO DES AS: BEG AT A PT ON THE N-S 1/4 SEC LN OF SEC 25, T8N, R4E, MDB&M, LOC S))505'00W 245.01 FT FR THE SE COR OF TERRA BONITA VISTA UNIT NO 2; TH FR SD POB ELY 1,420 FT M/L TO INTERSECTION OF THE W LN OF NORMAN WAY WITH THE S LN OF 34TH AVE; TH ALG SD S LN ELY 1,252.9 FT TO THE W LN OF 24TH ST; TH ALG SD LN S 1,209.06 FT; TH W'LY 1,240 FT M/L TO THE E'LY LN OF SACRAMENTO EXECUTIVE AIRPORT; TH ALG SD LN DUE N 304.20 FT; TH N29°623'17E 1,076.05 FT; TH ALG THE N'LY LN OF SD AIRPORT S89°42'15W 330.02'; TH S00°05'00W 30'; TH S89°42'15W 1,611.51 FT TO SD N-S 1/4 SEC LN; TH ALG SD LN N00°05'00E 200 FT M/L TO THE POB. CONTG 41.25 N AC M/L

#2

A PARCEL OF LAND LOCATED IN THE STATE OF CALIFORNIA, COUNTY OF SACRAMENTO, WITH A SITUS ADDRESS OF 915 I ST 5, SACRAMENTO, CA 95814-2613 CURRENTLY OWNED BY CITY OF SACRAMENTO HAVING A TAX ASSESSOR NUMBER OF 006-0041-013-0000 AND BEING THE SAME PROPERTY MORE FULLY DESCRIBED AS LOTS 1, 2, 3, 4, 5, 6, 7 & 8 BLK H & 19TH & 10TH INCLUDING ALLY IN THE CITY OF SACRAMENTO CONTG 2.50 AC M/L

#3

A PARCEL OF LAND LOCATED IN THE STATE OF CALIFORNIA, COUNTY OF SACRAMENTO, WITH A SITUS ADDRESS OF 2812 MEADOWVIEW RD, SACRAMENTO, CA 95832-1441 CURRENTLY OWNED BY CITY OF SACRAMENTO HAVING A TAX ASSESSOR NUMBER OF 053-0010-065-0000 AND BEING THE SAME PROPERTY MORE FULLY DESCRIBED AS POR SEC 7, T7N, R5E, M.D.B. & M. DES AS: BEG AT A PT LOC N89°20'37E 1969.33', & S00°17'35E 40' FR THE NW COR OF SD SEC, TH FR SD P.O.B. N89°20'37E 455.05'; TH S00°55'32E 465.56'; TH S89°04'28W 38'; TH S00°55'32E 20.50'; TH S89°20'37W 422.41'; TH N00°17'35W 486.24' TO THE P.O.B. CONTG 5.0915 AC AND DESCRIBED IN DOCUMENT NUMBER 30430-2939 DATED 04/03/2003 AND RECORDED 04/30/2003.

#4

A PARCEL OF LAND LOCATED IN THE STATE OF CALIFORNIA, COUNTY OF SACRAMENTO, WITH A SITUS ADDRESS OF 2812 MEADOWVIEW RD, SACRAMENTO, CA 95832-1441 CURRENTLY OWNED BY CITY OF SACRAMENTO HAVING A TAX ASSESSOR NUMBER OF 053-0010-065-0000 AND BEING THE SAME PROPERTY MORE FULLY DESCRIBED AS POR SEC 7, T7N, R5E, M.D.B. & M. DES AS: BEG AT A PT LOC N89°20'37E 1969.33', & S00°17'35E 40' FR THE NW COR OF SD SEC, TH FR SD P.O.B. N89°20'37E 455.05'; TH S00°55'32E 465.56'; TH S89°04'28W 38'; TH S00°55'32E 20.50'; TH S89°20'37W 422.41'; TH N00°17'35W 486.24' TO THE P.O.B. CONTG 5.0915 AC AND DESCRIBED IN DOCUMENT NUMBER 30430-2939 DATED 04/03/2003 AND RECORDED 04/30/2003.

**Landlord:** Sacramento City Financing Authority

**Host:** City of Sacramento

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

SolarCity Corporation.  
By: *David White*  
Printed Name: David White  
Title: CFO  
Date: 5-6-11

