



Legislation Text

File #: 19-1039, **Version:** 1

City Council Meeting Date: August 20, 2019

To: Mayor and City Council
City Administrator

From: Scott Tempel, City Planner

Consideration of Decommissioning Agreement - Chub Garden LLC.

Action Requested:

The Northfield City Council approves the attached agreement establishing decommissioning standards for a Community Solar Garden and authorizes the Mayor and City Clerk to sign the agreement.

Summary Report:

The Community Development Department received a proposal from Nokomis Energy for a community solar garden (CSG) conditional use permit (CUP) to permit a Photovoltaic Ground IMWac Solar Energy System in the Agricultural Zoning District (A-S). The project is located at 320th Street and Garrett Avenue in Dakota County. Chub Garden LLC will consist of approximately 3700 to 4000 panels on roughly 5 acres of land. The CSG will have a contract life of 25 years and a useful life of 35 years. Once operating, this project will deliver ~1,800,000 kWh of clean, local energy annually to the surrounding community for 25+ years with only the sun as feedstock. As part of Xcel Energy's Solar*Rewards Community Program, Xcel Energy customers may subscribe to a solar garden and receive a credit on their monthly Xcel Energy bill based upon the production of their garden subscription.

Planning Commission voted to recommend approval of the CUP at its January 19, 2018 meeting. The City Council approved the CUP on February 5, 2019. Several different agreements have been drafted for the project. One of the conditions of approval of the CUP as required by City of Northfield City Code ("Code"), section 2.9.5 (P) provides as follows:

"Abandonment. If a commercial solar farm or community solar garden remains nonfunctional or inoperative for a continuous period longer than one year, and is thereafter not brought into operation within the time specified by the city, the system shall be presumed to be abandoned and shall constitute a public nuisance. The owner of the real property on which the commercial solar farm or community solar garden is located shall remove the abandoned system at the owner's expense after a demolition permit has been obtained from the city. Removal of the commercial solar farm or community solar garden shall include removal of all modules and racking equipment and all structures erected in connection with the system. As a condition for the city's issuance of a conditional use permit for a commercial solar farm or community solar garden with a nameplate capacity greater than 100 kW AC, the applicant shall either (i) provide evidence to the City that an escrow or other financial guarantee has been or will be created to

secure the payment of the solar energy system removal costs, or (ii) furnish to the city a financial guarantee, in one of the forms listed in Section 3.10.4(E)(4), in the amount of the solar energy system removal costs, which financial guarantee must remain in full force and effect until removal of the commercial solar farm or community solar garden has been completed in accordance with the requirements of this section.”

The attached agreement was drafted by the City and approved by Nokomis, their attorney and the landowner. It meets all requirements of the CUP by establishing a performance bond to be in place for the duration of the project life. The bond provides the City the ability to draw down the funds if the agreement is breached. If the project is abandoned and the developer does not remove the facilities, the City shall use the funds provided to remove the solar garden. The security amount was established based on actual bid costs for removal. Staff recommends approval of the agreement.

Alternative Options:

N/A

Financial Impacts:

N/A

Tentative Timelines:

The project is ready to commence construction.