

Memorandum

Date: May 28, 2020

To: City of Seguin City Council

From: Amber Briggs Beard
General Manager, Schertz/Seguin Local Government Corporation

Re: Discussion/Action Regarding a Schertz/Seguin Local Government Corporation Solar Lease and Easement Agreement

Pursuant to the attached resolution adopted by the board of directors of the Schertz-Seguin Local Government Corporation (SSLGC), SSLGC requests the city council's consent to a lease of SSLGC property for a proposed solar development project.

The business terms of the lease approved by the SSLGC board have not changed from the presentation to the city council prior to SSLGC board approval. SSLGC's ability to continue to use the land to produce, treat, and transmit groundwater to Seguin and Schertz has been preserved. Nothing in the lease adversely affects SSLGC's right to produce groundwater pursuant to its permits.

The SSLGC board has determined that the lease is in the best interest of SSLGC's member-cities and customers because the lease will provide revenue that will off-set expenses of supplying water. SSLGC will receive lease payments while the lessee determines if the proposed project is feasible. If the lessee pursues the project, the lease becomes a long-term lease and the rental payments increase.

Per the prior presentation, SSLGC solicited proposals from numerous solar development firms, two responses were received, and the response from the proposed lessee was the more favorable. SSLGC used professional consultants and attorneys with experience negotiating leases for solar development projects to develop the lease approved by the SSLGC board of directors. The city manager and management staff have been involved in the process the entire time.

SSLGC requests city council consent to the lease.