

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # B-11

Urgent

Routine

AGENDA DATE September 29, 2009

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Authorization to Issue a Request for Qualifications for a Long-Term Farming and Potential Solar Farm Lease on County Owned Land Adjacent to the Fink Road Landfill

STAFF RECOMMENDATIONS:

1. Authorize staff to issue a Request for Qualifications for a long-term farming and potential solar farm lease on County owned land adjacent to the Fink Road Landfill.
2. Upon evaluation of candidate qualifications, direct staff to return to the Board of Supervisors for final selection of a candidate with which to enter a 12-month exclusive right to negotiation period.

FISCAL IMPACT:

Stanislaus County currently has two leases on the County owned lands adjacent to the Fink Road Landfill: a 760.4 acre grazing lease and a 1,040 acre farming lease. Both leases are set to expire on November 3, 2009 and generate \$5,028 and \$138,000 respectively in annual revenue for the Fink Road Landfill Enterprise Fund.

- Continued -

BOARD ACTION AS FOLLOWS:

No. 2009-659

On motion of Supervisor O'Brien, Seconded by Supervisor Monteith

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Grover, Monteith, and Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Authorization to Issue a Request for Qualifications for a Long-Term Farming and Potential Solar Farm Lease on County Owned Land Adjacent to the Fink Road Landfill

FISCAL IMPACT Continued:

The successful candidate would be granted a 12-month exclusive right to negotiate period with which to perform their due diligence and negotiate a ground lease with the County for the 1,040 acre portion of the property. All normal costs associated with the due diligence period, including environmental review and land use approvals, will be borne by the selected candidate.

While the potential annual revenue generated from a new ground lease is yet to be negotiated, staff anticipates that the added potential solar farm use would create higher lease rates per acre than those associated with just the current farming operation.

DISCUSSION:

This item requests authorization for staff to issue a Request for Qualifications (RFQ) to select the most qualified candidate interested in entering into a long-term ground lease for 1,040 acres of County owned land adjacent to the Fink Road Landfill. In addition to the current farming operation, the RFQ would also open the door for the potential evaluation of a solar farm operation at the site.

The Stanislaus County Department of Environmental Resources ("Department"), Landfill Division, operates and maintains the Fink Road and Geer Road Landfills. Currently, only the Fink Road Landfill is in active operation. This facility is located at 4000 Fink Road, Crows Landing, in western Stanislaus County. The Fink Road Landfill provides landfill services for municipal solid waste for Stanislaus County. Co-located to the Landfill facility is the Covanta-Stanislaus Energy from Waste Plant, which produces 22.5 megawatts of power.

Stanislaus County owns a total of 2,670 acres of property at the Fink Road site, 219 acres of which represents the current landfill footprint. On February 26, 2008, the Board of Supervisors considered a report by staff on a 100-Year Site Life Study for the Fink Road Landfill and surrounding properties that included recommendations for potential future phasing. That report included the following potential phasing plan:

Phase 1 - Infill of area between Landfill 1 and 2 within the existing permitted landfill area.

Phase 2 - Canyon Expansion; 175 acres to the southwest of existing Landfill; it is estimated that this area would be needed to provide capacity between 2020-2041.

Phase 3 - West Expansion; 425 acres directly west of existing Landfill; it is estimated that this area would be needed to provide capacity between 2041-2100.

Authorization to Issue a Request for Qualifications for a Long-Term Farming and Potential Solar Farm Lease on County Owned Land Adjacent to the Fink Road Landfill

Based on this phasing plan, it is anticipated that at full build-out, approximately 1,800 acres will be needed for mitigation purposes. Since build-out of Phase 3 is not anticipated until 2041, approximately 1,275 acres could be available for interim uses that could be converted back to mitigation lands in the future. This Request for Qualifications would make 1,040 acres of that land available for farming and potential solar energy generation uses.

The property is currently subject to two separate leases:

- ◆ 760.4 acres of grazing land is under lease to Paul Clarot through November 3, 2009.
- ◆ Approximately 1,040 acres, 345 of which are planted in almond trees, is under lease to LBFI I-5 Lease, L.P. through November 3, 2009.

As the Board of Supervisors is aware, water availability has become a significant issue to farming operations on the west side of the County. This past year, Stanislaus County found it necessary to renegotiate the terms of the current farm lease and purchase supplemental water just to ensure the protection of the trees in the almond orchard. The challenges associated with water availability continue to remain a significant challenge, making it a difficult time in which to try and negotiate a new long-term farming lease.

Recently, several parties have approached the County and expressed interest in the potential for a solar farm operation on the lands adjacent to the Fink Road Landfill. Several factors make the potential for a solar farm operation at this site attractive including the proximity to major transmission lines and the elevation and topography. Solar operations tend to be a non-intrusive use and the installation of panels closer to the ground (approximately 4 feet) would be largely shielded from view from folks traveling on the adjacent interstate.

In order to both create an open and transparent process and effectively negotiate the most favorable ground lease rates to the County, staff is proposing a Request for Qualifications process. In this process, interested parties would submit their qualifications and experience for review by an evaluation panel. The top candidates would be asked to make a presentation and be interviewed by the evaluation panel. Staff would then return to the Board of Supervisors for final selection. The selected candidate would enter into an Exclusive Right to Negotiate contract with the County for a 12 month period. This 12 month period would allow the selected candidate to perform their due diligence, including but not limited to, environmental review and clearance, land use approvals, negotiation of a Power Purchase Agreement, financing, construction contracts and the negotiation of a long-term ground lease with the County.

Given that the current leases expire on November 3, 2009, as a separate item staff plans on returning to the Board of Supervisors in the near future to request award of a contract for a farm management contract. This contract would help ensure the farming operation is properly cared for during the interim period.

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During the 12 month due diligence period, staff anticipates that there will be a series of workshops with the west side communities to discuss proposals under consideration and address any concerns they may have. In addition, the potential solar farm uses would undergo a California Environmental Quality Act (CEQA) evaluation.

POLICY ISSUES:

The Board of Supervisors is asked to consider whether the negotiation of a long term ground lease with the potential for a solar farm operation is consistent with the priorities of efficient government operations and a well planned infrastructure system.

STAFFING ISSUES:

There are no staffing issues associated with this item. If approved, staff from the Chief Executive Office, County Counsel, Environmental Resources, General Services Agency and Planning and Community Development will be involved in the review and evaluation of submittals and contract negotiations.



GSA PURCHASING AGENT

1010 10th Street, Suite 5400, Modesto, CA 95354

PO Box 3229, Modesto, CA 95353-3229

Phone: (209) 525-6319

Fax: (209) 525-7787

REQUEST FOR STATEMENT OF QUALIFICATIONS FOR:

RFQ NO. 09-39-CEN

Long Term Farming and Potential Solar Farm Ground Lease

**QUALIFICATIONS MUST BE RECEIVED PRIOR TO:
2:30 P.M. PST October 30, 2009**

**DELIVER TO: STANISLAUS COUNTY PURCHASING DIVISION
1010 10th STREET, SUITE 5400, MODESTO, CA 95354**

NAME AND ADDRESS OF VENDOR SUBMITTING STATEMENT OF QUALIFICATIONS:	
VENDOR NAME	ADDRESS
_____	_____
PHONE:	_____
FAX:	_____

REQUEST FOR STATEMENTS OF QUALIFICATIONS

The County of Stanislaus, California (“County”) is requesting submission of a statement of qualifications (“RFQ”) from highly qualified and experienced individuals, firms, partnerships, corporations, associations or professional organizations (“Candidates”) interested in entering into a long-term ground lease for 1,040 acres of County owned lands adjacent to the Fink Road Landfill in Stanislaus County, California. Stanislaus County is supportive of efforts to create clean renewable energy and in addition to the current farming operations, is willing to consider making this property available for the potential development of a solar energy production. Accordingly, the selected Candidate would be given an opportunity to enter into an “Exclusive Right to Negotiate” agreement (“Agreement”) for twelve (12) months to complete the appropriate due diligence associated with the potential development of a solar energy production facility and to negotiate the terms of the long-term ground lease (“Ground Lease”). All costs associated with the due diligence period including, but not limited to, all normal costs associated with environmental review and land use approvals, will be borne by the selected candidate. The issuance of this RFQ commences the first phase of the selection process. It is the County’s goal to work directly with one candidate in implementing this project, the concept of which was approved by the Stanislaus County Board of Supervisors at their September 29, 2009 meeting.

BACKGROUND

The Stanislaus County Department of Environmental Resources (“Department”), Landfill Division, operates and maintains the Fink Road and Geer Road Landfills. Currently, only the Fink Road Landfill is in active operation. This facility is located at 4000 Fink Road, Crows Landing, in western Stanislaus County. The Fink Road Landfill provides landfill services for municipal solid waste for Stanislaus County. Co-located to the Landfill facility is the Covanta-Stanislaus Energy from Waste Plant, which produces 22 megawatts of power. Covanta currently has a Power Purchase Agreement with P.G.& E. The location of the plant is identified on Attachment A and is serviced by 60 kV transmission lines.

Stanislaus County owns a total of 2,670 acres of property at the Fink Road site, 219 acres of which represents the current landfill footprint. On February 26, 2008, the Board of Supervisors considered a report by staff on a 100-Year Site Life Study for the Fink Road Landfill and surrounding properties that included recommendations for potential future phasing. That report included the following potential phasing plan:

Phase 1 – Infill of area between Landfill 1 and 2 within the existing permitted landfill area.

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Phase 3 – West Expansion; 425 acres directly west of existing Landfill; it is estimated that this area would be needed to provide capacity between 2041-2100.

Based on this phasing plan, it is anticipated that at full build-out, approximately 1,800 acres will be needed for mitigation purposes. Since build-out of phase 3 is not anticipated until 2041, approximately 1,275 acres could be available for interim uses that could be converted back to mitigation lands in the future. Approximately 1,040 acres is under current lease to LBFI I-5 Lease, L.P. through November 3, 2009. Of the 1,040 acres, 345 acres are currently planted in almond trees, and the balance of the acreage is currently being dry-land farmed. The 1,040 acres is located within the Del Puerto and Oak Flat Water Districts. This Request for Qualifications would make 1,040 acres available for farming and potential solar energy generation uses.

SCOPE AND REQUIREMENTS

The Property offered for lease is real property, with approximately 1,040 acres adjacent to the active Fink Road Landfill, available for continued Almond Production, Farming, and for the potential development of Solar Energy production. The County is interested in leasing the 1,040 acre Farming Property identified on Attachment “A” (dark outline) to a tenant who is the highest qualified candidate, who proposes the best Farming/Solar Energy production methodology, and proposes the highest lease rate to the County. It is the expectation of the County that any land not directly used for solar energy production will be actively farmed.

Availability of Lease Premises

The area of the lease premises is designated on Exhibit “A” (dark outline) and shall be available for use by the tenant year round. The area is partially surrounded with post and wired fence.

Tenant’s Responsibility

The tenant shall be required to pay all costs and expenses relating to farming the property, including all operation and maintenance costs, repair costs, water, utilities, taxes, labor, equipment costs, fencing, no trespassing signs, etc. The tenant shall be responsible for establishing annual fire breaks. Property shall be managed in such a way to prevent re-seeding of weeds. Tenant shall be responsible and take steps to prevent soil erosion and keep in good repair all terraces, ditches, inlets and outlet of drains, preserve all established water courses and irrigation systems, and refrain from any practices which will injure such structures or systems. Tenant shall be responsible to properly maintain and secure any solar energy facilities constructed by the Candidate, and the ground underneath and around those facilities.

Good Steward

The tenant shall be a good steward of the land. Being a good steward of the land includes but is not limited to, accepted farming practices, herd management and landfill needs that co-exist with the farm lands.

Good Neighbor

The tenant shall be a good neighbor. Being a good neighbor with the County and adjacent land owners and/or lease holders includes, but is not limited to, frequency of fence line inspection and repairs, and herd management practices.

Lease Term

The selected tenant would be given an opportunity to enter into an “Exclusive Right to Negotiate” agreement (“Agreement”) for twelve (12) months to complete the appropriate due diligence associated with the potential development of a solar energy production facility and to negotiate the terms of the long-term Ground Lease.

The initial term of the Ground Lease is expected to be for a period of 20 years. Additional five year terms to be negotiated as part of the Ground Lease upon the mutual agreement of the tenant and the County.

The candidate will not be responsible for the land until the Ground Lease is signed and executed. The County intends to enter into a separate contract for management of the farming operations during the interim period, to culminate with the signing of the Ground Lease.

STATEMENT OF QUALIFICATION - SUBMITTAL REQUIREMENTS

Responding firms must demonstrate that they have both the experience and financial strength to develop this most important property. The submittal should address each of the following areas of the RFQ:

- Financial Strength and Capacity
- Candidate Experience
- Concept for Management of the Area Encompassing Agricultural and/or Solar Uses
- History of Prior Solar Energy Project Developments

EVALUATION PROCESS

The Evaluation Committee will review and score the RFQ response. The Candidate(s) that is/are judged to be the most qualified and that most adequately respond to the County’s Request for Statement of Qualifications will be selected for interviews/presentations. Staff will evaluate Candidates and recommend to the Board of Supervisors the most qualified Candidate(s). The preferred candidate(s) will be able to demonstrate their financial capacity and strength, their ability to assemble a team of experts in the various disciplines, and their vision for management of the area and the ability to implement or carry out that vision.

Upon award, the successful candidate will be granted an "Exclusive Right to Negotiate" for a 12 month period to complete their own due diligence, all required environmental studies and approvals, and the negotiation of a long-term Ground Lease with the County.

DISADVANTAGED/MINORITY BUSINESS ENTERPRISES

Disadvantaged business enterprises are encouraged to submit proposals. County of Stanislaus, in accordance with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d to 2000d-4 and Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation, issued pursuant to such act, hereby notifies all Candidates that it will affirmatively ensure that in regard to any contract or procurement entered into pursuant to this solicitation, minority business enterprises will be afforded full opportunity to submit bids and proposals in response to this invitation and will not be discriminated against on the grounds of race, color, sex or national origin in consideration for an award.

RFQ Schedule of Events

- Issue RFQ – 9/30/09
- Non-Mandatory Site Tour – 9:00 A.M. PST, 10/09/09 (4000 Fink Rd, Landfill office)
- RFQ Questions Deadline – 5:00 P.M. PST, 10/14/09
- Close RFQ Response – 2:30 P.M. PST, 10/30/09
- RFQ Evaluation and Interview/Presentations by Top Candidates – 11/2/09 (tentative)
- Staff Analysis and Recommendation to Board of Supervisors – 11/17/09 (tentative)
- Board of Supervisor selection of Candidate – 11/24/09 (tentative)

SUBMITTAL DEADLINE

Please submit three (3) copies of your firm's Statement of Qualifications no later than 2:30 p.m. PST on October 30th, 2009 to the following address:

Stanislaus County Purchasing Division
1010 10th Street, Suite 5400
Modesto, California 95354
Attn: Charles Nelson

If mail delivery is used, the Candidate should mail his Statement of Qualifications early enough to provide for arrival by 2:30 p.m. PST October 30th, 2009. Candidates use mail or courier services at his/her own risk. The County of Stanislaus will not be liable or responsible for any late delivery of Statements of Qualifications. Statements of Qualifications received after the date and time specified will not be considered and will be returned to the developer unopened.

COSTS OF RESPONDING; RETENTION BY COUNTY OF PROPOSALS AND RELATED DOCUMENTS

The County accepts no financial responsibility for any costs incurred by a Candidate in responding to this RFQ. Completed proposals and any other documents or materials submitted in response to this RFQ shall, upon submission, become the property of the County and may be used by the County in any way the County deems appropriate.

RESERVATIONS OF RIGHTS BY THE COUNTY

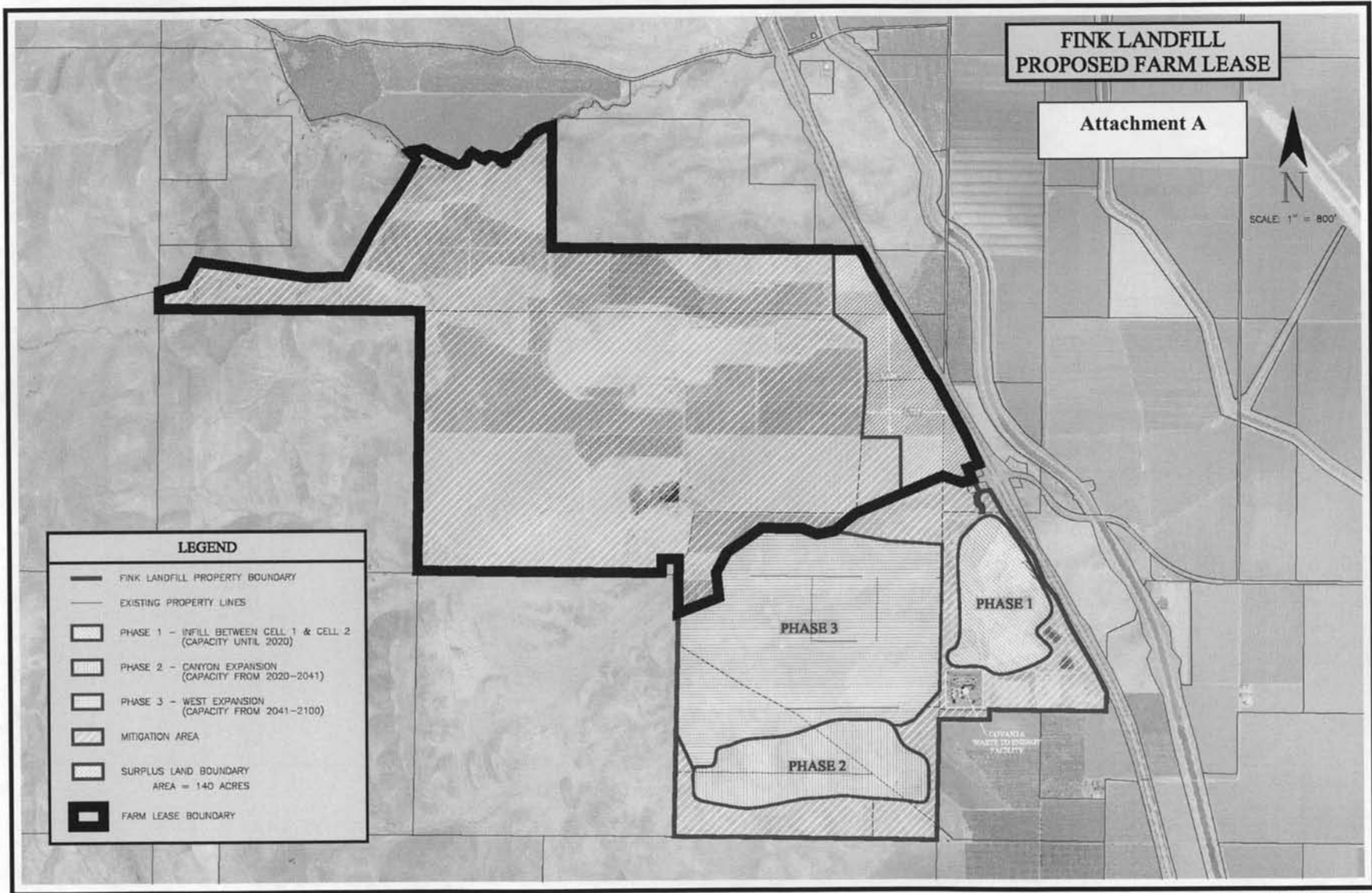
The issuance of this RFQ does not constitute an agreement by the County that any subsequent selection process will occur or that any contract will be entered into by the County. The County expressly reserves the right at any time to:

- Waive any defect or informality in any Proposal or the procedure set forth in this RFQ
- Reject any or all Proposals
- Issue a new request for qualifications in lieu of this RFQ
- Change the subsequent selection process
- Determine that the Work will not be pursued

INQUIRIES

Questions, in written form, regarding Request for Statement of Qualifications procedures must be submitted via e-mail no later than 5 p.m. October 14, 2009 to:

Charles Nelson
Purchasing Manager
Stanislaus County, Purchasing Division
1010 10th Street, Suite 5400
Modesto, CA 95354
Phone: (209) 525- 7610
Fax: (209) 525-7787
Email: nelsonc@stancounty.com



Attachment "A" Land Use Map

Authorization to Issue a Request for Qualifications for a Long-Term Farming and Potential Solar Farm Lease on County Owned Land Adjacent to the Fink Road Landfill











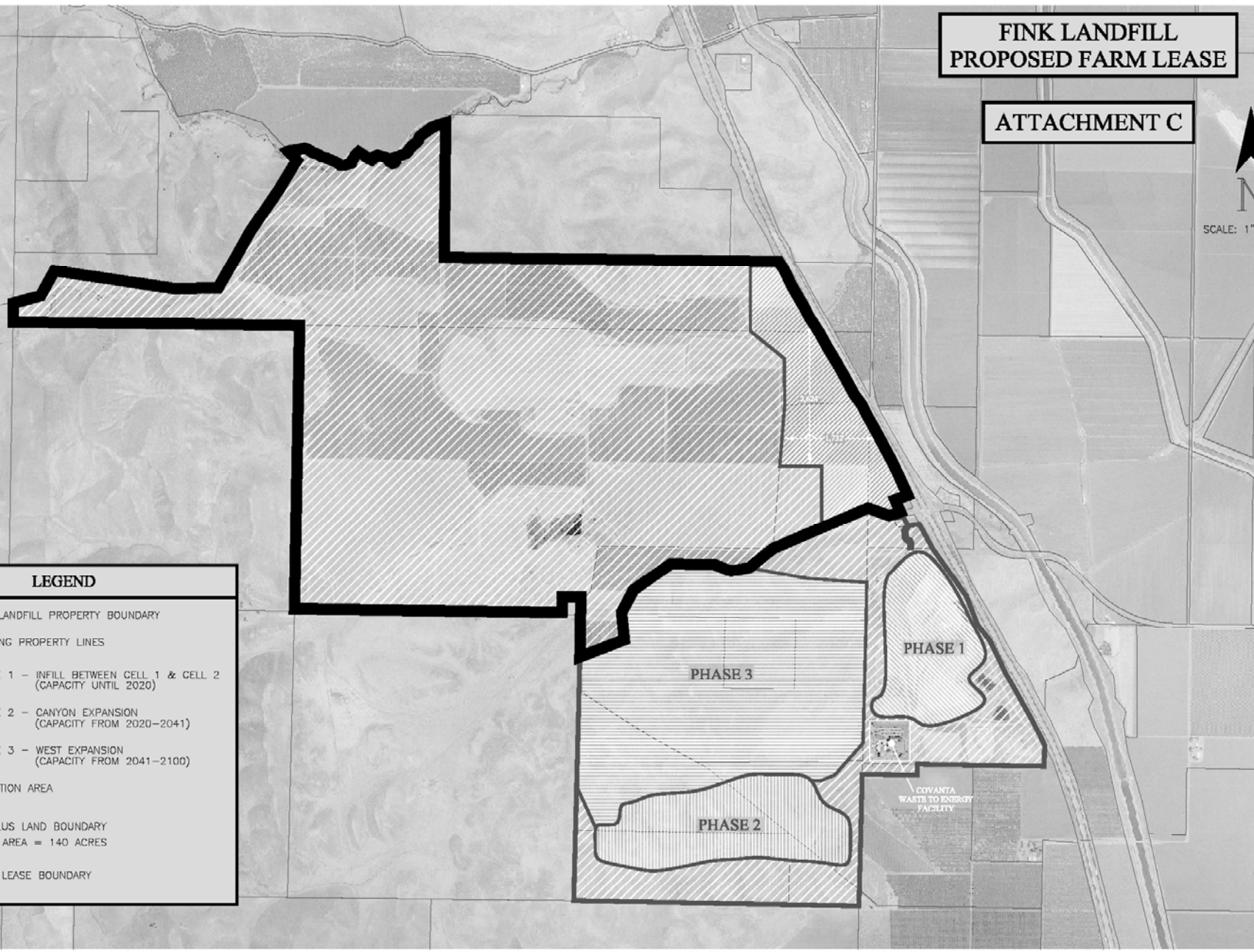
FINK LANDFILL PROPOSED FARM LEASE

ATTACHMENT C

SCALE: 1" = 100'

LEGEND

-  FINK LANDFILL PROPERTY BOUNDARY
-  EXISTING PROPERTY LINES
-  PHASE 1 - INFILL BETWEEN CELL 1 & CELL 2
(CAPACITY UNTIL 2020)
-  PHASE 2 - CANYON EXPANSION
(CAPACITY FROM 2020-2041)
-  PHASE 3 - WEST EXPANSION
(CAPACITY FROM 2041-2100)
-  MITIGATION AREA
-  SURPLUS LAND BOUNDARY
AREA = 140 ACRES
-  FARM LEASE BOUNDARY



COVANTA
WASTE TO ENERGY
FACILITY

PHASE 3

PHASE 1

PHASE 2

Recommendations

- Authorize staff to issue a Request for Qualifications for a long-term farming and potential solar farm lease
- Upon evaluation of candidate qualifications, direct staff to return to the Board for final selection of a candidate with which to enter a 12-month exclusive right to negotiation period