

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



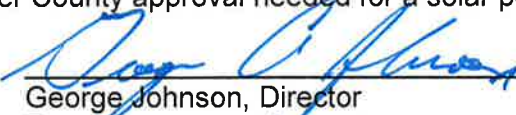
FROM: Transportation and Land Management Agency

SUBMITTAL DATE:
July 7, 2011

SUBJECT: Resolution No. 2011-147 Declaration of Intent to Grant an Electric Franchise to Desert Sunlight 250, LLC, and Desert Sunlight 300, LLC, and Their Lawful Successors and Assigns and Setting for Public Hearing Ordinance No. 909.

RECOMMENDED MOTION: That the Board of Supervisors adopt Resolution No. 2011-147, "Declaration of Intention to Grant an Electric Franchise to Desert Sunlight 250, LLC, a Delaware Limited Liability Company, and Desert Sunlight 300, LLC, a Delaware Limited Liability Company, and Their Lawful Successors and Assigns"; and, direct the Clerk of the Board to publish notice, in substantially the same form as specified in the resolution, for the public hearing to be held at 1:30 p.m. on August 16, 2011.

BACKGROUND: Desert Sunlight 250, LLC, and Desert Sunlight 300, LLC, ("Desert Sunlight"), requested the Board of Supervisors grant them a franchise to construct and use an electrical transmission line under, along, across, or upon the Kaiser Road rights-of-way in eastern Riverside County. The franchise proposed in Ordinance No. 909 has a 30-year term; requires the payment of a franchise fee of \$600,000 adjusted annually for inflation; and requires the posting of a letter of credit to ensure that sales and use taxes generated are allocated to Riverside County. The payment term is unique to this franchise, in consideration of the Desert Sunlight Solar Farm Project's federal funding deadlines. The payment term shall not set a precedent for any other franchise, or for any other County approval needed for a solar power plant project.



George Johnson, Director
Transportation and Land Management Agency

FINANCIAL DATA	Current F.Y. Total Cost:	\$	In Current Year Budget:
	Current F.Y. Net County Cost:	\$	Budget Adjustment:
	Annual Net County Cost:	\$(600,000)	For Fiscal Year:

SOURCE OF FUNDS: Franchise Fees	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: 
Denise C. Harden

County Executive Office Signature

- Consent
- Policy
- Consent
- Policy

Dept's Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: 06/28/11 #3.111

District: 4

Agenda Number:

3.54

FORM APPROVED COUNTY COUNSEL

BY: KATHERINE A. LIND DATE: 07/07/11

Departmental Concurrence

RE: Resolution No. 2011-147 Declaration of Intent to Grant an Electric Franchise to Desert Sunlight 250, LLC, and Desert Sunlight 300, LLC, and Their Lawful Successors and Assigns and Setting for Public Hearing Ordinance No. 909.

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Desert Sunlight proposes to construct and operate a 550-megawatt (MW) solar photovoltaic (PV) energy-generating project known as the Desert Sunlight Solar Farm ("Project"). The majority of the Project, including the solar farm itself, will be located on federal land managed by the Bureau of Land Management. The solar farm is not within the County's jurisdiction.

The Project includes construction of a 220-kilovolt transmission line connecting the electrical output of the solar farm to Southern California Edison's proposed Red Bluff Substation. A portion of the transmission line will run under, along, across or upon the Kaiser Road rights-of-way and other areas within the County's jurisdiction not within road rights-of-way. Specifically, the transmission line is proposed to exit the southwest portion of the solar farm site, run south along the west side of Kaiser Road, turn east just north of Desert Center, and then run south across I-10 to the substation.

Desert Sunlight applied for a Public Use Permit (PUP 909) pursuant to Ordinance No. 348 and an encroachment permit pursuant to Ordinance No. 499 for the parts of the Project within the County's jurisdiction. PUP 909 is a fast track case currently scheduled for Board hearing on August 16, 2011. The Transportation Department is considering the encroachment permit application. Ordinance No. 499 provides that an encroachment permit may be issued if the applicant holds a current County franchise. The County is authorized to grant a franchise pursuant to Article 11, Section 7, of the California Constitution and Government Code Section 26001.

The Clerk of the Board is required to publish notice of the public hearing in a newspaper of general circulation in the County at least once within fifteen (15) days after the adoption of Resolution No. 2011-147. The time fixed for hearing shall be August 16, 2011, a date not less than twenty (20) nor more than sixty (60) days after the date of adoption of the resolution.

2 **RESOLUTION NO. 2011-147**

3 **DECLARATION OF INTENT TO GRANT AN ELECTRIC FRANCHISE TO DESERT**
4 **SUNLIGHT 250, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND DESERT**
5 **SUNLIGHT 300, LLC, A DELAWARE LIMITED LIABILITY COMPANY,**
6 **AND THEIR LAWFUL SUCCESSORS AND ASSIGNS**

7 **WHEREAS**, Desert Sunlight 250, LLC, and Desert Sunlight 300, LLC, (hereinafter collectively
8 referred to as "Desert Sunlight") are limited liability companies, established under the laws of the State of
9 Delaware, and duly authorized to transact business in the State of California; and,

10 **WHEREAS**, Desert Sunlight has requested that the Board of Supervisors grant it a franchise for
11 the purpose specified in the form of the notice set forth below; and,

12 **WHEREAS**, the granting of a franchise by the County is authorized by the California
13 Constitution, Article 11, Section 7 and Government Code section 26001; and,

14 **WHEREAS**, the Board of Supervisors believes the public good requires that the franchise be
15 granted; now therefore,

16 **BE IT RESOLVED, FOUND, DETERMINED, AND ORDERED** by the Board of Supervisors
17 of the County of Riverside, in regular session assembled on July 12, 2011, that it intends to grant a
18 franchise to Desert Sunlight on the terms specified in the form of the notice set forth below and the
19 additional terms specified in proposed Ordinance No. 909.

20 **BE IT FURTHER RESOLVED** by the Board that objections to the granting of the franchise
21 shall be heard at the time and place specified in the form of the notice set forth below, which the Clerk of
22 the Board is hereby directed to publish at least once in a newspaper of general circulation in the County
23 within fifteen (15) days after the adoption of this resolution. Said notice shall be in substantially the
24 following form:

25 **"NOTICE OF INTENTION TO GRANT FRANCHISE**

26 NOTICE IS HEREBY GIVEN that Desert Sunlight 250, LLC, a Delaware Limited Liability
27 Company, and Desert Sunlight 300, LLC, a Delaware Limited Liability Company, have requested that the
28 Board of Supervisors of the County of Riverside grant them a franchise to construct and use an electrical

FORM APPROVED COUNTY COUNSEL
BY: KATHERINE A. LIND / DATE: 07/12/11

1 transmission line under, along, across, or upon the Kaiser Road rights-of-way in eastern Riverside
2 County.

3 If granted, the franchise shall be for a period of 30 years. During the life of the franchise, Desert
4 Sunlight 250, LLC, and Desert Sunlight 300, LLC, their lawful successors and assigns, in whole or in part
5 (hereinafter referred to as "Grantee"), shall annually pay to the County Treasurer, in lawful money of the
6 United States, the amount of six hundred thousand dollars and no cents (\$600,000.00). Grantee shall
7 make the initial payment at the close of Department of Energy loan financing for the Desert Sunlight
8 Solar Farm Project ("Project") or at the close of other financing for the Project, if there is no Department
9 of Energy loan financing. In no event, however, shall the initial payment be made later than September 1,
10 2012. Grantee shall make subsequent annual payments on February 1st of each year, which shall be
11 increased by the same percentage as the increase in the Consumer Price Index, All Urban Consumers,
12 (Los Angeles — Anaheim) for the twelve (12) month period ending four (4) months prior to February 1st.
13 In no event, however, shall the Consumer Price Index Adjustment be less than 1 percent nor greater than 4
14 percent. In the event the payments specified herein are not made, the franchise shall be forfeited
15 following the applicable cure period.

16 Grantee shall also deliver a letter of credit to the County, in an amount to be determined by the
17 County, to secure the payment and proper allocation of sales and use taxes to the County.

18 NOTICE IS HEREBY FURTHER GIVEN that any person objecting to the granting of the
19 franchise may appear before the Board of Supervisors and be heard thereon at the hour of 1:30 p.m. on
20 Tuesday, the 16th day of August 2011 at the Board Chambers, First Floor, County Administrative Center,
21 4080 Lemon Street, Riverside, California.

22 NOTICE IS HEREBY FURTHER GIVEN that at any time not later than the hour set for the
23 hearing of objections, any person interested may make written protest stating objections against the
24 granting of the franchise; which protest must be signed by the protestant and be delivered to the Clerk of
25 the Board of the County. The Board of Supervisors at the time set for hearing objections shall proceed to
26 hear and pass upon all protests so made and its decision shall be final and conclusive, subject to the right
27 of referendum of the people. The Board of Supervisors may adjourn the hearing from time to time.

1 For further particulars, reference is hereby made to Resolution No. 2011-147 adopted by the Board
2 of Supervisors on the 12th day of July 2011, declaring its intention to grant the franchise and to proposed
3 Ordinance No. 909, an urgency ordinance of the County of Riverside granting to Desert Sunlight 250,
4 LLC, and Desert Sunlight 300, LLC, and their lawful successors and assigns, in whole or in part, a
5 franchise to construct and use an electrical transmission line under, along, across, or upon the Kaiser Road
6 rights-of-way in eastern Riverside County, both of which are on file in the office of the Clerk of the
7 Board.

8 DATED THIS _____ day of _____, 2011.

9 By order of the Board of Supervisors of the County of Riverside, California.”

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