

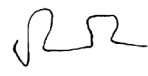




Kenai Peninsula Borough

Planning Department – Land Management Division

MEMORANDUM

TO: Brent Johnson, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor 
Lee Frey, Solid Waste Director 
Robert Ruffner, Planning Director 
Marcus Mueller, Land Management Officer 

FROM: Aaron Hughes, Land Management Agent 

DATE: May 26, 2022

RE: Ordinance 2022-22, Authorizing a Negotiated Lease Option and Subsequent Ground Lease of Certain Real Property Containing 40 Acres More or Less to Utopian Power for the Development of a Solar Farm Facility (Mayor)

Utopian Power (UP) has submitted an application for a negotiated lease/option-to-lease of approximately 40 acres of Borough-owned land located in Sterling. The subject parcel is a decommissioned waste facility, commonly referred to as the Sterling Special Waste Site.

Utopian Power proposes to use the decommissioned facility for the installation of a 2-Megawatt solar generation facility (solar farm). As proposed, the development of the site will occur above ground using concrete form ballasts and/or in a manner approved by the Borough in order to prevent damage to the waste facility liner, existing containment measures and monitoring wells. Entering into a negotiated lease with UP will provide a compatible and productive use for the decommissioned waste site, as well as provide additional security and oversight of the grounds and generate new revenue for the Borough.

The lease terms include a base fixed rental amount for an initial 25-year term, with two 10-year renewals, in addition to a 12% royalty paid to the Borough on all power generated from the facility. A three-year option to lease would be provided for \$3,500/year for project engineering and due diligence prior to entering the lease.

Your consideration of this ordinance is appreciated.