



# **City of Aurora Vacant Land Use Analysis**

**Conversion from Agricultural Farming to Solar Farming**

## **Maximizing Land Lease Revenue**

## **RFQ Bid Results and Financial Benefit Analysis**

**July 26, 2023**

**Building, Zoning & Economic Development (BZE) Committee Meeting**

**Prepared By:**



## Executive Summary

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To maximize the revenue and community benefit value of City of Aurora owned vacant or encumbered land the City issued an RFQ to Solar Developers to submit a site use and financial remuneration plan. Two of the proposed sites are restricted by the Federal Aviation Administration for building (and are currently leased for farming @ \$265 annually per acre) as they are adjacent to current or proposed runways. One site is located at the intersection of Route 25 and Sullivan Road on the encapsulated landfill site. This recommendation examines the benefits and considerations associated with the City of Aurora leasing the land for solar energy development. With the increasing global focus on renewable energy sources, solar power has emerged as a viable and sustainable option. By leveraging encumbered land that has restricted covenants, The City of Aurora has the potential to generate substantial revenue, promote clean energy, and contribute to local economies. This recommendation explores the financial, environmental, and social advantages of leasing the land for Solar Farming vs. Agricultural Farming, while also addressing potential challenges and offering recommendations for successful implementation. The Solar Development bidders were required to submit their bid under two scenarios, a Base Case and Best Case plan. This is due to limited space on the ComEd Substation and interconnection costs. All capital costs for this project are borne by the winning bidder. No City of Aurora funds will be used to develop this project. Six prospective Solar Developers responded to the RFQ which was issued on 2/28/2023 with a due date of 4/21/2023. SunCode Energy (a minority owned company) provided the best bid, which incorporated the highest financial remuneration and a plan to lower electric costs for City Residents.

### Acreage to Be Leased For Solar Farm

	BASE CASE (Defined Lease Area)	BEST CASE (Proposed Lease Area)
Total Acreage Airport Site #1	30 Acre Lease	132 Acre Lease
Total Acreage Airport Site #2	30 Acre Lease	30 Acre Lease
Sullivan + Rt25 Site # 3 (Brownfield)	18 Acre Lease	18 Acre Lease
<b>Total Acreage</b>	<b>78</b>	<b>180</b>

### Interconnection Fees Paid to ComEd By Solar Developer

ComEd Interconnection Fees Airport Site #1	\$1,500,000.00	\$6,500,000.00
ComEd Interconnection Fees Airport Site #2	\$1,500,000.00	\$1,500,000.00
Sullivan + RT 25 Site #3	\$1,500,000.00	\$1,500,000.00
<b>Total ComEd Interconnection Fees</b>	<b>\$4,500,000.00</b>	<b>\$9,500,000.00</b>

### Size of Solar Farms by Location

Size of Solar Farm Airport Site #1 (MW)	5.0 MW	21.6 MW
Size of Solar Farm Airport Site #2 (MW)	5.0 MW	5.0 MW
Size of Solar Farm Sullivan+Rt25 Site #3 (MW)	2.8 MW	2.8 MW
<b>Total Solar Farm Size All Locations (MW)</b>	<b>12.8 MW</b>	<b>29.4 MW</b>

### Financial Benefit for the City of Aurora

Total 40 Year Revenue Airport Site #1	\$6,786,113.00	\$22,167,970.00
Total 40 Year Revenue Airport Site #2	\$6,786,113.00	\$6,786,113.00
Total 40 Year Revenue Sullivan+Rt25 Site #3	\$4,071,668.00	\$4,071,668.00
<b>Total Annual 40 Year Revenue</b>	<b>\$17,643,894.00</b>	<b>\$33,025,751.00</b>
<b>Average Annual 40 Year Revenue</b>	<b>\$441,097.35</b>	<b>\$825,643.78</b>

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### **New Property Tax Revenue Generated for Community**

New Annual Tax Revenue Airport Site #1	\$39,453.87	\$170,495.39
New Annual Tax Revenue Airport Site #2	\$39,453.87	\$39,453.87
New Annual Tax Revenue Sullivan+Rt25 Site #3	\$22,885.15	\$22,885.15
<b>Total New Annual Tax Revenue (Estimate)</b>	<b>\$101,792.89</b>	<b>\$232,834.41</b>

### **Lower ComEd Electricity Costs for Community – Opt In Program**

City of Aurora Subscription (Savings %)	15%	15%
Aurora Resident Subscription (Savings %)	15%	15%
Low Income Subscription Plan (Savings %)	50%	50%

<b>Estimated Annual Savings for Residents</b>	<b>\$102.00</b>	<b>\$102.00</b>
<b>Estimated Annual Savings for Low Income Residents</b>	<b>\$360.00</b>	<b>\$360.00</b>

### **Environmental Benefit for Community**

Bee + Butterfly Pollinator Program - Y/N	YES	YES
Annual Green Energy Produced (kWh)	19,450,000	39,550,000
Program Green Energy Produced (kWh)	778,000,000	1,582,000,000
Carbon Reduction - Pounds	741,948,191	1,387,930,068
Pounds of Coal Not Burned	376,997,012	705,197,625
Annual Homes Powered By Solar	2,431	4,944
Program Homes Powered By Solar	97,240	197,760

### **Contractual Requirements – SunCode Energy**

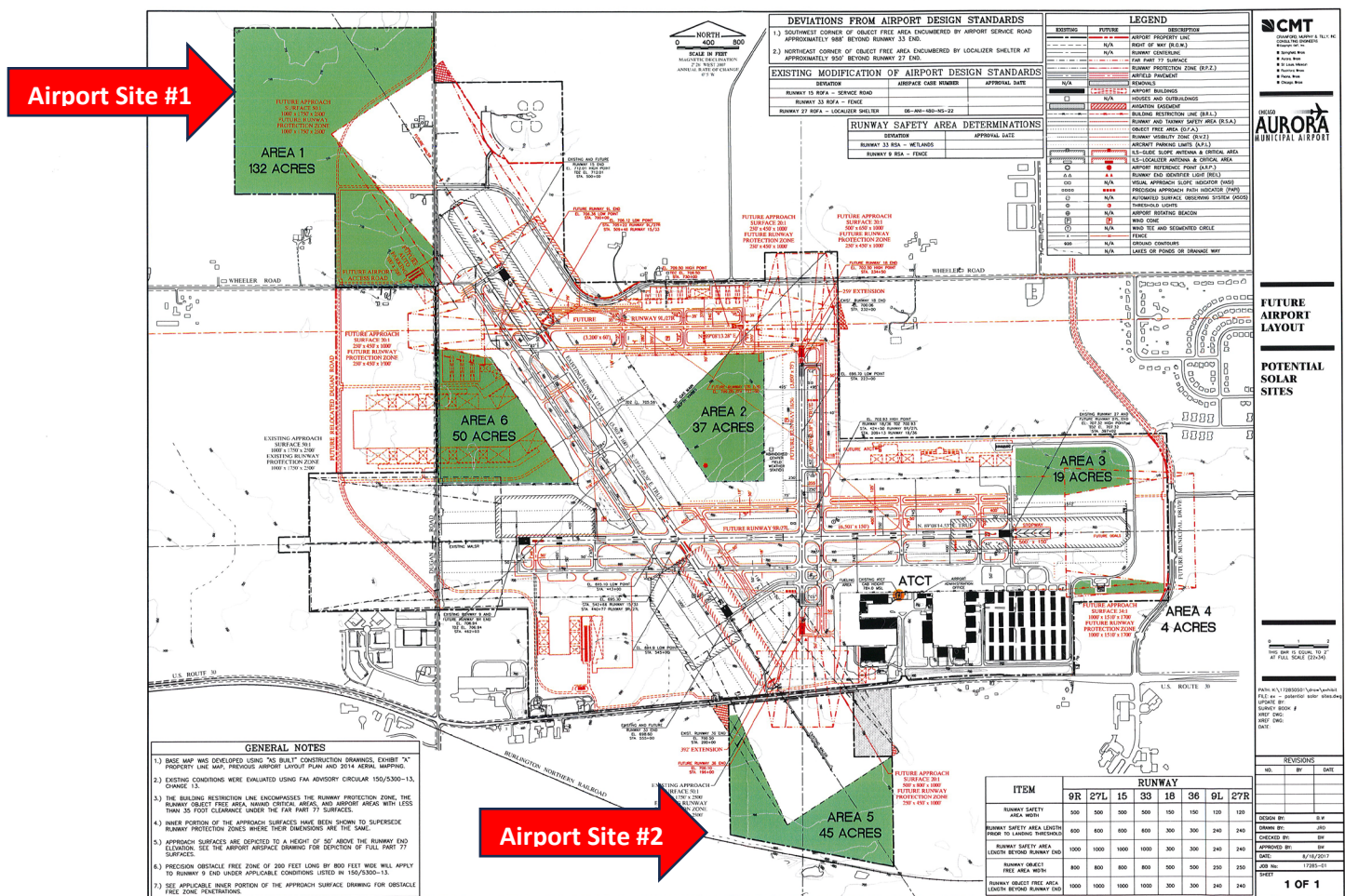
- SunCode Energy must be actively developing the site for the purpose of installing Community Solar
  - 3 year Lease Option to Lease Property
- Hosting Capacity Map Evaluation within 30 days of contract signing - **Completed**
- Preapplication to host utility within 60 days of contract signing - **Completed**
- Interconnection application within 120 days of contract signing – **Completed**
- Financial Instrument to Back Lease for 1 Year
- Lease for Community Solar Fields paid at \$3,000.00 per acre per year
- Lease for Utility Scale Solar Fields paid at \$2,000.00 per acre per year
- Annual Lease Rate will Increase 3% each year
- 35 year Lease with a 5 year Option
- Construction Must be Approved by the FAA, Local Authorities, and be Approved by the City of Aurora

### **Estimated Construction and Energization Dates**

- ComEd to Deliver Sub Station Capacity and Cost of Interconnection to SunCode Energy within 60 days
- Community Solar Construction Begins within 2 years
- Community Solar Projects Energized within 3 years
- Utility Scale Solar Projects Energized within 5 years



## **Solar Farm Lease – Airport Site #1 and #2**



## Solar Farm Lease – Route 25 and Sullivan Road Landfill - Site #3

