



Committee: Joint
Committee Review: N/A
Staff: Naeem Mia, Legislative Analyst
Purpose: To receive testimony – no vote expected
Keywords: Property Disposition, Renewable Energy

AGENDA ITEM #5
December 1, 2020
Public Hearing

SUBJECT

Resolution to Approve Disposition of a certain portion of the Oaks Landfill, located at 6010 Riggs Road Gaithersburg, Maryland.

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- None - Public Hearing only to receive testimony.
- Council action is tentatively scheduled for December 8, 2020.

DESCRIPTION/ISSUE

On November 3, 2020, the County Executive transmitted the Declaration of No Further Need (DNFN) for the subject property, thus beginning the 60-day time limit for Council to review and either act on or extend the time limit. A copy of the Council resolution is attached on ©1-2. A copy of Executive Order 112-20 authorizing the DNFN is attached on ©3-6.

The Executive is proposing to transfer property totaling 16 acres via a 20-year long-term lease at the Oaks landfill to a private entity for the purpose of constructing and operating a 6-megawatt (MW) community solar power generation facility and providing power to the County (2 MW) and to low-and-moderate income households (4 MW). The Oaks landfill encompasses a total of 545 acres, including a capped footprint of 170 acres (where the proposed transfer of 16 acres is located).

The selected vendor, Ameresco, will finance, design, construct, own and operate the facilities. One hundred percent of the electricity generated by the community solar project will be available to low-and-moderate income (LMI) subscribers.

Lease payments for the community solar will be made on a quarterly basis. The price to be paid per acre per quarter is \$2,160, or \$34,568 per quarter total. The rate will increase at a rate of 1% per year.

An appraisal for the property was not completed, as the value of the land does not correlate with the intended use. The County Executive is recommending transfer of the property at below market value in order to subsidize the provision of discounted power to LMI subscribers. Pricing for the lease was established competitively and based on pricing provided from four proposals; a total of 17 bids were submitted.

SUMMARY OF KEY DISCUSSION POINTS

- Does the Council agree with the County Executive’s Declaration of No Further Need for this site?
- Does the Council agree with the proposed terms of this transaction, including a 20-year lease and a quarterly payment of \$34,568 (with a 1% increase per year)?
- Does the Council wish to consider any alternative uses for this site?

This report contains:

Council Resolution Approving Disposition	© 1-2
November 3, 2020 Declaration of No Further Need from County Executive and Executive Order No. 112-20	© 3-8
October 2, 2020 memo re: Material Terms from County Executive	© 9-12

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Resolution No: _____
Introduced: November 10, 2020
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: County Council

SUBJECT: Approval of Disposition of a certain portion of the Oaks Landfill,
located at 6010 Riggs Road, Gaithersburg, Maryland.

Background

1. Montgomery County Code §11B-45 requires the Council to approve a Declaration of No Further Need before the Executive can dispose of real property that has more than nominal value. Prior to seeking Council approval of a Declaration of No Further Need, the Executive must:
 - (a) submit all material terms of the proposed disposition and any appraisal the Executive relied on in setting the property's market value to the Council; and
 - (b) publish a declaration in the County Register and post a notice on the County website that the County has no further need for the property.If the Council, by resolution, approves the Executive's Declaration of No Further Need, the Executive may dispose of the property for fair market value.
1. On October 3, 2020, the Executive transmitted the material terms of the proposed disposition. The Executive recommended disposing a 16-acre capped portion of the Oaks landfill property through a 20-year lease to Ameresco, who will finance, design, construct, own, and operate a community solar power generating facility.
2. The Oaks landfill site is owned by the County and is a closed and capped landfill. The landfill is the responsibility of the Montgomery County Department of Environmental Protection, Recycling and Resource Management Division. The landfill received mixed municipal solid waste from June 1982 until the Spring of 1995. The Oaks Landfill totals approximately 545 acres, which includes a capped footprint of 170 acres, spread over four parcels. The 170-acre cap area falls within these four parcels.
3. A total of six megawatts of solar power is planned to be generated. The County will purchase two megawatts through a power purchase agreement while the remaining four megawatts will be sold at discounted rates to low and moderate-income households.

4. Lease payments for the community solar will be made on a quarterly basis. The price to be paid per acre per quarter is \$2,160, or \$34,568 per quarter total. The rate will increase at a rate of 1% per year.
5. An appraisal for the property was not completed, as the value of the land does not correlate with the intended use. Pricing for the lease was established competitively and based on pricing provided from four proposals; a total of 17 bids were submitted.
6. Executive Order 112-20 was published in the *County Register* on September 23, 2020 to provide notice of intent to proceed with the disposition of the subject property.
7. The Council held a virtual public hearing on this recommended disposition on December X, 2020.
8. The Government Operations and Fiscal Policy Committee and Transportation and Environment Committee held a joint worksession on XXX and recommended XXX.

Action

The County Council for Montgomery County, Maryland, approves the following action:

The Declaration of No Further Need for a certain portion of the Oaks Landfill, located at 6010 Riggs Road, Gaithersburg, Maryland is approved and the property may be disposed of as described in the material terms provided to the Council on October 2, 2020, the memorandum dated November 3, 2020 and in Executive Order 112-20. The County Council waives the requirement that the disposition be a fair market value transaction.

This is a correct copy of Council action.

Selena Mendy Singleton, Esq. Clerk of the Council




OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

November 3, 2020

TO: Sidney Katz, President
Montgomery County Council

FROM: Marc Elrich 
Montgomery County Executive

SUBJECT: Declaration of No Further Need – Disposition of Portion of Oaks Landfill

On October 2, 2020, I transmitted material terms to Council and provided notice that I intend to dispose of approximately 16 acres of County-owned property at the Oaks Landfill through a long-term ground lease to Ameresco for a community solar installation.

As required under Section 11B-45 of the Montgomery County Code, an Executive Order declaring that the County-owned site is no longer needed for public use must be issued. Attached please find Executive Order 112-20 which was published in the *County Register* on September 23, 2020 to give notice of my intent to proceed with disposition through long term lease to Ameresco and that the property is no longer needed for public use.

Lease payments for the community solar will be made on a quarterly basis. The price to be paid per acre per quarter is \$2,160, or \$34,568 per quarter total, which will increase at a rate of 1% per year. It is important to note that the quarterly payment is correlated to the low and moderate income (LMI) community solar project. Ameresco will provide a solar photovoltaic project on the property, specifically a 6-megawatt (MW) project divided into three 2 MW arrays. Array 1 is for the County and will be governed through a power purchase agreement. Arrays 2 and 3, each with 2 MW, will be leased to Ameresco for a community solar project. Ameresco will finance, design, construct, own and operate the facilities. One hundred percent of the electricity generated by the community solar project will be available for low and moderate income households. Ameresco was chosen in large part due to the rate provided for LMI households. Ameresco was the only proposer to offer a 25% discount off the tariff rate to LMI households in the County.

I hope this information is helpful. If you have any questions, please contact Greg Ossont, Deputy Director, Department of General Services, at 240.777.6192 or greg.ossont@montgomerycountymd.gov.

Attachment: Executive Order No 112-20
Material Terms Memo dated October 2, 2020

CC: David Dise, Director, Department of General Services
Greg Ossont, Deputy Director, Department of General Services
Ronnie Warner, Division Chief, Department of General Services
Jennifer Bryant, Acting Director, Office of Management and Budget
Michael Coveyou, Director, Department of Finance
Kimberly Williams, Controller, Department of Finance
Luisa Montero, Mid-County Regional Services Center
Cathy Matthews, Upcounty Regional Services Center Director



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Disposition of County Property: Portion of Oaks Landfill	Executive Order No. 112-20	Subject Suffix
Montgomery County Department of General Services	Department No.	Effective Date 09/23/20

WHEREAS, the closed Oaks Landfill site at 6010 Riggs Road is owned by Montgomery County; and

WHEREAS, operations of the landfill ceased in 1995 and the landfill closed in 1997; and

WHEREAS, the former landfill contains a total of approximately 545 acres which includes a capped footprint of 170 acres, spread over four parcels; and

WHEREAS, in September 2019, the County issued a Request for Energy Proposals for a solar photovoltaic project on the former landfill to include a community solar project for low- and moderate-income (LMI) subscribers; and

WHEREAS, the chosen proposal from Ameresco is a 6-megawatt (MW) project divided into three 2 MW arrays. Array 1 is for use by the County and will be governed through a power purchase agreement. Arrays 2 and 3, each with 2 MW, will be leased for a community solar project to Ameresco who will finance, design, construct, own and operate the facilities.

WHEREAS, 100% of the electricity generated by the community solar project, consisting of approximately 16 acres, will be available to LMI subscribers; and

WHEREAS, an appraisal for the property was not completed as the value of the land does not correlate with the intended use and pricing for the lease was established competitively based on the pricing received from the final four proposers; and

WHEREAS, Ameresco's proposal was chosen in large part due to the rate provided for LMI households as Ameresco was the only proposer to offer a 25% discount off the tariff rate to LMI households in the County; and

WHEREAS, the County Executive has determined that the property is no longer needed for County use and should be leased to Ameresco for a period of 20 years; and

WHEREAS, lease payments for the community solar will be made on a quarterly basis, and the price to be paid per acre per quarter is \$2,160, or \$34,568 per quarter total, which will increase at a rate of 1% per year; and

WHEREAS, the material terms of the lease agreement are as stated above; and



MONTGOMERY COUNTY EXECUTIVE ORDER

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Disposition of County Property: Portion of Oaks Landfill	Executive Order No. 112-20	Subject Suffix
Montgomery County Department of General Services	Department No.	Effective Date 09/23/20

WHEREAS, in accordance with the provisions of Montgomery County Code Section 11B-45, Disposition of Real Property, the County Executive must issue an Executive Order declaring that County owned or controlled land is no longer needed for County use.

ACTION

In consideration of the above recitals, the County Executive hereby declares that an approximately 16-acre portion of the closed Oaks Landfill located at 6010 Riggs Road, Gaithersburg, Maryland, is no longer needed for County use and is available for disposition through long term lease to Ameresco for 20 years for a 100% LMI community solar project with quarterly payments of \$2,160 per acre, which will increase at a rate of 1% per year.

Approved as to Form and Legality
Office of the County Attorney

By: Neal Anker
Date: 9/17/2020

APPROVED

A. Jerome Fletcher
A. Jerome Fletcher
Assistant Chief Administrative Officer
Date: 9/23/2020




OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

October 2, 2020

TO: Sidney Katz, President
Montgomery County Council

FROM: Marc Elrich 
Montgomery County Executive

SUBJECT: Material Terms – Disposition of Portion of Oaks Landfill

The purpose of this memorandum is to provide the material terms of the disposition, through a long-term lease, of a portion of the Oaks Landfill, located at 6010 Riggs Road, Gaithersburg. I am recommending that the County lease approximately 16 acres to Ameresco for 20 years. Attached you will find Executive Order No 112-20 which was advertised in the County Register starting September 23, 2020.

The Oaks Landfill site is owned by the County and is a closed and capped landfill. The landfill is the responsibility of the Montgomery County Department of Environmental Protection, Recycling and Resource Management Division. The landfill received mixed municipal solid waste from June 1982 until the Spring of 1995.

The Oaks Landfill totals approximately 545 acres, which includes a capped footprint of 170 acres, spread over four parcels. The 170-acre cap area falls within these four parcels and a portion is intended for disposition for a long-term lease for a community solar project for low- and moderate-income (LMI) subscribers.

In September 2019, the County issued a Request for Energy Proposals for a solar photovoltaic project on the Oaks Landfill. Proposals were received from 17 firms, four of which were ultimately asked for pricing. The chosen proposal from Ameresco is a 6-megawatt (MW) project divided into three 2 MW arrays. Array 1 is for the County and will be governed through a power purchase agreement. The land for Arrays 2 and 3, each with 2 MW, will be leased for a community solar project to Ameresco who will finance, design, construct, own and operate the facilities. One hundred percent of the electricity generated by the community solar project will be available to LMI subscribers.

An appraisal for the property was not completed, as the value of the land does not correlate with the intended use. Pricing for the lease was established competitively and based on

the pricing received from the four proposers. Ameresco was selected in large part due to the rate provided for LMI households. Ameresco was the only proposer to offer a 25% discount off the tariff rate to LMI households in the County. Lease payments for the community solar will be made on a quarterly basis. The price to be paid per acre per quarter is \$2,160, or \$34,568 per quarter total. The rate will increase at a rate of 1% per year. It is important to note, however, that making 100% of the community solar available to low-to-moderate income eligible subscribers is my priority.

I hope this information is helpful. If you have any questions, please contact Greg Ossont, Deputy Director, Department of General Services, at 240.777.6192 or greg.ossont@montgomerycountymd.gov.

Attachment: Executive Order No 112-20

CC: David Dise, Director, Department of General Services
Greg Ossont, Deputy Director, Department of General Services
Ronnie Warner, Division Chief, Department of General Services
Jennifer Bryant, Acting Director, Office of Management and Budget
Michael Coveyou, Director, Department of Finance
Kimberly Williams, Controller, Department of Finance
Luisa Montero, Mid-County Regional Services Center
Cathy Matthews, Upcounty Regional Services Center Director




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ROCKVILLE, MARYLAND 20850

Marc Elrich
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MEMORANDUM

October 2, 2020

TO: Sidney Katz, President
Montgomery County Council

FROM: Marc Elrich 
Montgomery County Executive

SUBJECT: Material Terms – Disposition of Portion of Oaks Landfill

The purpose of this memorandum is to provide the material terms of the disposition, through a long-term lease, of a portion of the Oaks Landfill, located at 6010 Riggs Road, Gaithersburg. I am recommending that the County lease approximately 16 acres to Ameresco for 20 years. Attached you will find Executive Order No 112-20 which was advertised in the County Register starting September 23, 2020.

The Oaks Landfill site is owned by the County and is a closed and capped landfill. The landfill is the responsibility of the Montgomery County Department of Environmental Protection, Recycling and Resource Management Division. The landfill received mixed municipal solid waste from June 1982 until the Spring of 1995.

The Oaks Landfill totals approximately 545 acres, which includes a capped footprint of 170 acres, spread over four parcels. The 170-acre cap area falls within these four parcels and a portion is intended for disposition for a long-term lease for a community solar project for low- and moderate-income (LMI) subscribers.

In September 2019, the County issued a Request for Energy Proposals for a solar photovoltaic project on the Oaks Landfill. Proposals were received from 17 firms, four of which were ultimately asked for pricing. The chosen proposal from Ameresco is a 6-megawatt (MW) project divided into three 2 MW arrays. Array 1 is for the County and will be governed through a power purchase agreement. The land for Arrays 2 and 3, each with 2 MW, will be leased for a community solar project to Ameresco who will finance, design, construct, own and operate the facilities. One hundred percent of the electricity generated by the community solar project will be available to LMI subscribers.

An appraisal for the property was not completed, as the value of the land does not correlate with the intended use. Pricing for the lease was established competitively and based on

the pricing received from the four proposers. Ameresco was selected in large part due to the rate provided for LMI households. Ameresco was the only proposer to offer a 25% discount off the tariff rate to LMI households in the County. Lease payments for the community solar will be made on a quarterly basis. The price to be paid per acre per quarter is \$2,160, or \$34,568 per quarter total. The rate will increase at a rate of 1% per year. It is important to note, however, that making 100% of the community solar available to low-to-moderate income eligible subscribers is my priority.

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MONTGOMERY COUNTY EXECUTIVE ORDER

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Disposition of County Property: Portion of Oaks Landfill	Executive Order No. 112-20	Subject Suffix
Montgomery County Department of General Services	Department No.	Effective Date 09/23/20

WHEREAS, the closed Oaks Landfill site at 6010 Riggs Road is owned by Montgomery County; and

WHEREAS, operations of the landfill ceased in 1995 and the landfill closed in 1997; and

WHEREAS, the former landfill contains a total of approximately 545 acres which includes a capped footprint of 170 acres, spread over four parcels; and

WHEREAS, in September 2019, the County issued a Request for Energy Proposals for a solar photovoltaic project on the former landfill to include a community solar project for low- and moderate-income (LMI) subscribers; and

WHEREAS, the chosen proposal from Ameresco is a 6-megawatt (MW) project divided into three 2 MW arrays. Array 1 is for use by the County and will be governed through a power purchase agreement. Arrays 2 and 3, each with 2 MW, will be leased for a community solar project to Ameresco who will finance, design, construct, own and operate the facilities.

WHEREAS, 100% of the electricity generated by the community solar project, consisting of approximately 16 acres, will be available to LMI subscribers; and

WHEREAS, an appraisal for the property was not completed as the value of the land does not correlate with the intended use and pricing for the lease was established competitively based on the pricing received from the final four proposers; and

WHEREAS, Ameresco's proposal was chosen in large part due to the rate provided for LMI households as Ameresco was the only proposer to offer a 25% discount off the tariff rate to LMI households in the County; and

WHEREAS, the County Executive has determined that the property is no longer needed for County use and should be leased to Ameresco for a period of 20 years; and

WHEREAS, lease payments for the community solar will be made on a quarterly basis, and the price to be paid per acre per quarter is \$2,160, or \$34,568 per quarter total, which will increase at a rate of 1% per year; and

WHEREAS, the material terms of the lease agreement are as stated above; and



MONTGOMERY COUNTY EXECUTIVE ORDER

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WHEREAS, in accordance with the provisions of Montgomery County Code Section 11B-45, Disposition of Real Property, the County Executive must issue an Executive Order declaring that County owned or controlled land is no longer needed for County use.

ACTION

In consideration of the above recitals, the County Executive hereby declares that an approximately 16-acre portion of the closed Oaks Landfill located at 6010 Riggs Road, Gaithersburg, Maryland, is no longer needed for County use and is available for disposition through long term lease to Ameresco for 20 years for a 100% LMI community solar project with quarterly payments of \$2,160 per acre, which will increase at a rate of 1% per year.

Approved as to Form and Legality
Office of the County Attorney

By: Neal Anker
Date: 9/17/2020

APPROVED

A. Jerome Fletcher
A. Jerome Fletcher
Assistant Chief Administrative Officer
Date: 9/23/2020