



Solar Photovoltaic Financing Proposal

City of Flagstaff
Council Meeting
April 2, 2013



Background

- Contract awarded to Ameresco 3/15/2010 to provide solar services
- Phase 1 & 2
 - 862 kilowatts (kW)
 - Wildcat, City Hall, Aquaplex
 - PPA financing for 20 years
 - Installations not City owned; buyout available
 - Provides for level rate
 - Risk and maintenance on system owner
 - Overall breakeven projected



Phase 3

- Aquaplex – 270 kW
- Rio de Flag – 301 kW
- Wildcat – 231 kW
- Airport – 125 kW*
 - Total kW = 927
 - Without Airport = 802 kW





City Owned System

- Incentives retained by City
- 15 year term
- Estimated financed amount \$2.9M - \$3.6 M
- Estimated equipment life – 20 – 25 years
- 20 year positive cash flow \$1.2M - \$1.4M



Why Lease to Own?



- Taking advantage of low cost financing
- Removing 3rd party
- Higher APS incentives received (\$0.12/kWh)
- No sales tax paid on energy generated
- Transfers risk back to City
 - O & M and insurance included in cash flow projections
- Changes to tax credit





RFP Responses

- 7 banks/lending institutions expressed interest
- 4 responded
 - 3 eligible for consideration
 - 1 disqualified as not responsive
 - 1 received late and was returned, sealed
 - 2 unable to meet terms of RFP



Scoring results



- **Bank of America – 2150 points**
- Green Campus Partners – 1917.5 points
- Holman Capital – 1810 points (disqualified as not responsive)
- Alliance Bank – 1765 points





Evaluation Criteria

- Experience and Qualifications – 10%
- Presented Approach – 30%
- Fixed Interest Rate – 50%
- References – 10%

Rated on a 0 – 5 scoring scale





Thank you! Questions?



- Amy Hagin, Procurement Specialist
 - 213-2276



- Nicole Woodman, Sustainability Manager
 - 213-2149



- Barbara Goodrich, Management Services Director
 - 213-2205