



**Minutes of the City of Mount Rainier Maryland  
City Council Work Session**

**Date: 6-17-2014**

**Place: One Municipal Place, Mount Rainier**

**Presiding officer: Mayor Malinda Miles**

**Councilmember's present: Jesse Christopherson, Ivy Thompson, Brent Bolin**

**Councilmember's absent: None**

**City Hall Staff: City Manager Jeannelle Wallace, City Clerk Janis Lomax**

**Meeting called to order at 6:15 pm**

**Pledge of Allegiance**

**Agenda**

**Solar City Presentation**

**Community Green Energy Presentation**

**Community Electronic Information Signage Presentation**

***Public Hearing: Putting Traffic Calming Devices on 3200 Shepherd Street***

***Public Comments***

**Worksession Agenda**

**Review of 4218 30<sup>th</sup> Street Various request**

**Call-A-Bus Passenger Van**

**Review Resolution CTIC Request**

**Menkiti and Company**

**New Business**

**Vote on 3200 Shepherd Street Traffic Calming Devices, Street Variance Request, and the Community Investment Tax Credit**

**Motion to Approve the Agenda**

**SolarCity Presentation**

**Greg Warner, Solar City Project Development Manager**

**[gwarner@solarcity.com](mailto:gwarner@solarcity.com)**

**(571)-292-3008**

**Attorney Stephanie Anderson from O'Malley, Miles, Milin and Gilmore**

**\*Solar City is their client**

**PPA (Power Purchase Agreement)**

### ***About Solar City***

- Publicly traded company on the NASDAQ with a market value around \$6 Billion.
- Installed over 550 megawatts all over the United States.
- 80% of its business comes from the residential solar system.
- Strong financial backing
- Has a national presence. Based in California. In Maryland, there are 200 employees.
- Have worked with Fortune 500 Companies such as Walmart, Safeway, Walgreens, Intel, HP, BNSF, eBaby, etc.

### ***Proposition***

- Long Term financial stability of Solar City Corporation
- Engineering Expertise
- Local Operations and Ongoing Presence
- Rooftop Project Experience with Fortune 500 Retailers
- Partnership in Project Development.

Solar City is a turn-key provider which will finance, design, build, and operate the System. They will do all of the permitting, construction, contracting and provide the city with a monthly bill at the end. The city does not require any expertise.

The company has a proven track record and trusted subcontractor relationships. They will provide fixed pricing for 20 years, below utility rates. It is stable and predictable, with a choice of a flat or 2% escalator rate. Over the last 10 years, commodity energy prices in Maryland have gone up an average 6% per year. The price for solar renewable energy credits fluctuates from year to year. The price is excellent right now and can be passed along to customers.

There is an option to purchase the system at set intervals (6 yrs, 10yrs, 20 yrs). When you take it over, the warranties will be assigned to it. Warranties can be anywhere from 5-20 years. Solar City operates and maintains the system for the 20 year period. It guarantees a certain amount of electricity production during that time. You will know what that amount is up front. If the system does not hit that amount, a check will be sent to you to pay for the difference. You will have visibility on how much energy you are consuming and spending on with different metrics on the monitoring service.

Next Step:

Mount Rainier needs to provide:

- Current utility bills (1 yr.)
- procurement requirements (if any)
- construction requirements
- preferred sites

Mr. Warner: Can you aggregate about 60,000sqft of roof space or other space, that makes it economical for the Solar City to put a project there?

### **Community Green Energy**

Michael Erickson, VP of Business Development

E: [mike@communitygreenenergy.com](mailto:mike@communitygreenenergy.com)

P: 262-248-0927

The company was founded in 2008 and is headquartered in Lake Geneva, Wisconsin. The Parent or original company is Alternative Utility Services, Inc. That company is involved as an energy consultant and is also an energy procurer for gas and electric in all deregulated states. We have collaborated with them a number of times to create programs that we can make work like solar in place where they do not have great rules and regulations. We try to find a solution that can work when others cannot.

### ***Community Virtual Solar Gardens***

It gives you another opportunity to do something for your community. You should think of it like a community garden where your city or your town sponsors a plot of land and you dole it out by parcel to those residents in the community who can garden their own in one central garden. It is similar with the community virtual solar garden, instead of talking about plots of land, we are talking about solar panels and a solar ray. It is a central array that allows other participants to actually own panels in some models. You own the output, not the system.

**Why Community Solar?** About 75% of residents and businesses are unable to install solar on their own roof. (renters, shaded roofs, cost, etc.) As a third party PPA, you are not responsible for maintenance or set up fees. The energy is a commodity and resource, thereby making it a community asset. Maryland does not have community solar statutes.

### ***Traditional On- Site & Solar Community Solar***

- You are able to increase your use of renewable energy. Under a PPA, you have a long-term hedge for that solar component and a protection against electricity spikes. Markets are different and based on supply and demand, so they will go up from here on out.
- PPA with no upfront capital investment
- local PR for the community host site.

### ***Traditional On- Site Solar***

- All PPA revenue, tax, and financial benefits belong to third party developer
- Economics
  - PPA/SREC revenue goes to third-party developer
  - Money leaves community, state, or even country
  - 80% of economic benefit leaves town

### ***Community Solar***

- PPA revenue and tax benefits are passed on to the community members that own the panels.
- Solar access for all residents and small businesses
- There is only one Third- Party at CGE that administers program
- Economics
  - PPA/SREC revenue goes to residents and local businesses
  - money stays in community
  - 60-70% of economic benefit stays in town

Community Green Energy will be the manager of the whole program. It will use as many local construction and maintenance people as it can to create local jobs.

### ***How it Works***

- Community Host Site (The City)
  - on-site, net-metered, third-party PPA at or below current costs. The site does not need to be a city site. It could be a school.
  - no capital investment or on-going administrative costs
  - assist in program promotion
  
- Community Green Energy (Developer and Manager)
  - assist in site selection and analysis
  - design, fund, construct, and operate
  - promote, market, and subscribe program
  - administer revenue distribution
  
- Residents and Small Business Owners (Participants)
  - purchase solar panel units
  - receive revenue streams to offset electric bill
  - like having on own roof, but without the maintenance and expense

### ***Benefits for Residents and Municipality***

- Residents
  - Access to solar power
  - long-term hedge on power prices
  - SREC Income
  - Solid Equivalent Rate of Return
  
- The Municipality
  - Renewable Energy
  - Long-term Hedge
  - No Capital or Maintenance Costs
  - Good PR
  - Value offered to Community as a sponsor doubles
  - Local Jobs- CGE will hire local people
  - Cash Retention
  - Local Multiplier Effect- If all spent half of that annual savings locally, \$31,500, it would generate over twice as much in re-invested local economic activity, or \$75, 600.
  - Buy Local Incentives

Their attorney representation is Dole Reaves. This project is for credits on your own electric bill, not for any investment.

Each project has a Dashboard that can be linked to social media. There will be a promotional video to put on your website. The minimum amount for a subscription is 1,000 watts which will cost \$3,450.

Assuming that an average user/ resident is paying about 11.5 cents per kwh. The host site is paying a commercial rate of about \$0.085. In year one, a one kilowatt system will produce 1,200 kwh. The annual

electric savings will be \$102, which will be paid to the resident to help them with their bills. In 15 years, they will save \$1,763. In the beginning they are more than offsetting what they are spending. Towards the end they will be receiving closer to what they are spending. There will be no tax consequences. Your actual savings after tax will be about 3.39%. The equivalent pre-tax IRR is about 7.02%. Some paybacks are between 18 and 25 years. If you reduce your capacity, it is the same as generating because it is still on the grid, so you get paid for it.

### ***Public Hearing: Putting Traffic Calming Devices on 3200 Shepherd Street***

#### **Ayellet Hines (3200 Shepherd Street)**

She gathered signatures on her block and the adjacent block to enable the city to install some sort of traffic calming device on the 3200 block of Shepherd Street. She states that that street is a main route for children to travel from and to Mount Rainier Elementary School in the mornings, afternoons, and evenings. There are small children on the block and it is like living on a race track. There are cars that speed up and down the street. They disregard the stop sign at 33<sup>rd</sup> and Shepherd Street. She feels it is just a matter of time before there is a tragedy on our block and in our neighborhood. There was an incident not long ago where someone was speeding with disregard for the law and collided with a neighbor's vehicle and seriously injured her. She understands that there is some concern about the timing of the installation of some sort of traffic calming device such as a speed bump, schedules of the utility companies and their work on the streets. The priority should be the safety of Mount Rainier residents and not the convenience or expenses of utility companies because everyday matters.

### **Community Electronic Information Signage Presentation**

Bill Lockridge

The corporate headquarters is in Austin, TX. The company has been in the advertising outdoor business for forty-two years; It started in 1970. Mr. Lockridge created a program for keeping citizens aware through LED panels. There are no out of pocket costs. The panels and the landscaping are all taken care of. They hire local landscapers. The signs are expected to set precedence for other communities. When you enter a community, the sign will be the first thing you see. They are low, monument-style signs. They cost anywhere from \$85,000 to \$125,000 to build each one. It is advisable to have two, one for each entrance. They are tied into the amber alert and silver alert system. Within a 50 mile radius, amber alert completely takes over the LED Panel for a period of 24 hours. All of the advertising is eliminated immediately while that takes effect.

These signs have state-of-the art LED 16 mil, full graphic light images. They change images without flashing or moving. Uploads can be put up instantly. The FBI and national weather service have access to the panel. Each panel has its own security code which allows you to access and change the message for each panel anytime as many times as you want. The police department and fire department can have access to this panel. In the case of the city losing its electrical grid, these signs will still remain on and it can take the city generator and plug it to the sign.

The National Highway Commission did extensive studies on LED and movable signs and they have found that they have never caused a traffic accident. As it gets darker at night, the LED lights dim down, unlike on highways so you will not get complaints that it is too bright. There is a two- page operating

agreement. In this agreement the business agrees to never advertise any adult-oriented type businesses. There will not be any political agendas. All of the advertisers that will appear on the signs will be local community- based. If the company is not able to get full participation, some of the slots will go to big companies like Starbucks, Geico, etc. Whoever is designated to approve artwork, if that is necessary, is asked to approve it within two to three hours. The smallest monument size is a 6x12ft.

The company has a law firm that it works with that has specific verbiage to put in the ordinance to protect from any outside judicial difficulties.

Councilman Christopherson: What is the ratio of advertising?

Mr. Lockridge: There are seven slots. There are six advertisers and then the city gets a portal. We want an advertisement every minute. The ads come up every 8 seconds. The city's comes on for 12 minutes.

Councilman Christopherson: What would a typical ad rate be?

Mr. Lockridge: We are trying to keep them down around \$300 a month. If you do have property where this can work, you do share in the revenue stream. The base amount that is guaranteed every year is \$3,000 dollars a year or % 15 of the net revenue, whichever is greater. Can I get \$600? Yes. But that is not what I am trying to propose. I really want the community to be a part of this. Keeping the price at an effective rate to make it affordable for any business in your community is what we want to do.

### **Motion to move into recess to special session to have a work session**

**Councilwoman Thompson**

**2<sup>nd</sup> Councilman Christopherson**

**3-0**

### **Street Variance Request**

Joel Kelty- Architect and Property Owner in Mount Rainier

Elizabeth Van Norton (homeowner at 4218 30<sup>th</sup> Street)

They are here to request support for a variance that was submitted to Prince George's County to build an addition on Ms. Van Norton's home. She has an adult disabled son and a granddaughter living with her. Their house was built around 1905 before the county zoning ordinance was enacted. Her family members have bedrooms that are not real bedrooms. The objective here is to build two additional bedrooms and a bathroom in way that is in harmony with the building and the surrounding neighborhood. The reason why the variance is needed is because the existing house is built 4.73 feet from the side property line and the county zoning regulations require a side yard setback of seven feet in this particular property. The existing house does not meet that condition; and because we are adding on to the existing house, we need to get this variance. Alternatives that did not require a variance were looked and found to not work. Because of its narrowness and topography, it is not feasible to extend laterally. They believe the proposed addition meets the requirements for a variance. They met with the design review board, which was unanimous in supporting the proposal. Also, the family cannot continue to live in the home in the condition it is currently in and it is consistent with the R-55 zone which supports open space and trees.

The request is for the council to send a letter to the County Board of Zoning Appeals, which is meeting tomorrow night.

The Design Review Board approved the proposal without restrictions and said that Mr. Kelty did an extraordinary job on the design. I spoke with the board and said that I would give a letter of approval if it was approved tonight.

They do not meet again until the middle of July, which would put a hardship on the family by delaying the construction.

Mr. Kelty: We have letters of support from all of the adjacent property owners.

### **Call-A-Bus Passenger Van and Artworks**

City Manager Wallace: Artworks takes youths to D.C. The council will have to approve that because it is beyond the normal five mile radius. The furthest the Call-A-Bus has gone into D.C. in its history is Providence hospital and Washington Hospital Center. The time they are requesting to use it, conflicts with the contractor we already have, Joe's Movement Emporium taking kids to the pool. The police van can be an option if it is large enough. So the council will have to approve the mode of transportation and the vehicle going into D.C.

Councilman Bolin is concerned about the stress that operating another vehicle and procuring a separate driver would bring. Mayor Miles' recommendation is that the Call-A-Bus should be used for this purpose and not the Police van. Other hours for its use should be selected, if they conflict with another user.

### **Resolution 8-2014 Request from Joe's Movement Emporium**

An application for Capital Improvements under the Community Investment Tax Credit Program of the Neighborhood Revitalization Community Legacy Program through the state for improvements to the dance floor, upgrades to the restrooms, repairs to the roofs, improvements to the black box theatre for new risers, and upgrades to the technical systems in the theatre. The application is due July 15<sup>th</sup>.

The council unanimously supports it.

### **The Menkiti Group**

The Mayor and Councilman Bolin met with the Menkiti Group two weeks ago regarding a project for the Singer building, which the county put an RFP out for. She provided their presentation to the council for them to review and consider. They presented to the Gateway CDC. At that meeting, they asked Gateway CDC to be their exclusive non-profit partner. The RFP deadline is July 3<sup>rd</sup>. They approached the city to partner with it on the project. They will respond to the RFP, but the Mayor asked them to hold off until this meeting for the council to discuss.

Joy Arnold Russell: The Menkiti Group is a real estate brokerage and development firm that is headquartered in NE Washington D.C. The Company is about ten years old and was founded with the notion that they would focus on transitioning neighborhoods and emerging corridors. The property across the street on 3300 Rhode Island Avenue is exactly that type of project they have been doing for the last ten years. All of their projects have been in Washington D.C. (Brookland, Eckington, Columbia Heights). They have a broad network of organizations and retailers that they have worked with. July 3<sup>rd</sup> is the submission date and we are here to ask the City Council to provide a Letter of Support for our group and our submission.

Councilman Tarlau is interested in hearing from the other companies that are intending to respond to the RFP. Mayor Miles discusses the other two competitors and their offerings. She adds that the Menkiti group has provided a letter from the Old Georgetown Bank that provides financing of \$8 Million today and they are willing to do collaboration with another developer.

### **Mayor Miles will give a Proclamation for the 95<sup>th</sup> Birthday of parishioner Ezekiel of St. John's Anglican Church**

#### **Motion to move back into the Special Session**

**Councilman Christopherson**

**2<sup>nd</sup> Councilwoman Thompson**

**4-0**

#### **Motion to support the placement of traffic calming devices on 3200 block of Shepherd Street**

**Councilwoman Thompson**

**2<sup>nd</sup> Councilman Bolin**

**4-0**

Councilman Bolin brings up the complaints residents have for the rubber speed humps and their preference for the regular asphalt ones.

**Motion to send a letter of support for the 4218 30<sup>th</sup> Street Variance Request to the Board of Appeals**

**Councilwoman Thompson**

**2<sup>nd</sup> Councilman Bolin**

**4-0**

**Motion to move Resolution 8-2014 regarding a Community Investment Tax Credit for Joe's Movement Emporium (1<sup>st</sup> Reading and Vote)**

**Councilman Tarlau**

**2<sup>nd</sup> Councilman Christopherson**

**Motion to send a letter listing some of the things we like about the proposal, including their financial ability to be sent on behalf of the Menkiti Group Project (Singer Building RFP) with the note that the Mayor will invite the other two developers to come and talk about their proposal.**

Councilman Bolin: The Gateway CDC has elected not to sign an exclusive agreement with the Menkiti Group.

Councilman Tarlau would like to support but not make it exclusive. Councilman Christopherson would like to hear the other proposals but is in support of saying they like the idea and that they have financing.

Councilwoman Thompson supports.

**Councilman Tarlau**

**2<sup>nd</sup> Mayor Miles**

**4-0**

### **Green Team Update**

MaryLee Howard, Green Team Chair

She provides the council with a document that communicates the Green Team's work plan and goals for the year. She reiterates that when make decisions about sustainable energy, the Green Team is there to help. The team has members with a broad spectrum of expertise. The plan builds upon existing plans. The goal is to explain the group's accomplishments at the end of the year to help with grants.

Mayor Miles: We are one of two municipalities that won an award for what we are doing in going green in the city. Of course, we are going to include you in any of those kinds of decisions.

**Motion to adjourn at 9:02pm**

**Councilwoman Thompson**

**2<sup>nd</sup> Councilman Bolin**

**4-0**