

0150-12222-0000

TRANSMITTAL

TO Martin L. Adams, General Manager Los Angeles Department of Water and Power	DATE	COUNCIL FILE NO.
FROM The Mayor		COUNCIL DISTRICT All

**LICENSE AGREEMENT WITH 59TC 8me, LLC, 50LW 8me, LLC, 26SB 8me, LLC, and
51LV 8me, LLC FOR AN OVERHEAD TRANSMISSION LINE CROSSING OVER
THE LOS ANGELES AQUEDUCTS (LADWP File No. W-101974)**

Approved and transmitted for further processing including Council consideration.
See the City Administrative Officer report attached.

MAYOR

MWS:IR:10230049

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

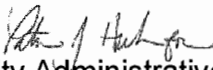
Date: November 21, 2022

CAO File No.: 0150-12222-0000

Council File No.:

Council District:

To: The Mayor

From: 
Matthew W. Szabo, City Administrative Officer

Reference: Communication from the Department of Water and Power dated October 27, 2022; referred by the Mayor for report on November, 7, 2022

Subject: **LICENSE AGREEMENT WITH 59TC 8me, LLC, 50LW 8me, LLC, 26SB 8me, LLC, and 51LV 8me, LLC FOR AN OVERHEAD TRANSMISSION LINE CROSSING OVER THE LOS ANGELES AQUEDUCTS (LADWP File No. W-101974)**

RECOMMENDATION

That the Mayor:

1. Approve the proposed Resolution authorizing a 20 year License Agreement between 59TC 8me, LLC, 50LW 8me, LLC, 26SB 8me, LLC, and 51LV 8me, LLC and the Los Angeles Department of Water and Power (LADWP) to construct, operate, and maintain one 230-kilovolt overhead transmission line crossing over a portion of LADWP's First and Second Los Angeles Aqueducts on behalf of the Bellefield Solar Project; and,
2. Upon proper certification, the Chief Accounting Employee is authorized and directed to deposit funds into the Water System Revenue Fund from license fees received under the License Agreement; and,
3. Return the proposed Resolution to the Department for further processing, including City Council consideration.

SUMMARY

The LADWP requests approval to enter into a 20 year License Agreement with 59TC 8me, LLC, 50LW 8me, LLC, 26SB 8me, LLC, and 51LV 8me, LLC (collectively, Licensee) to allow Licensee to construct, operate, and maintain one 230-kilovolt overhead transmission line crossing and appurtenances over a portion of the First and Second Los Angeles Aqueducts near Mojave, California. The Licensee is developing and constructing the Bellefield Solar Project, which includes a high voltage gen-tie that will cross the Aqueducts and allow the Licensee to connect to a Southern California Edison Substation located in the vicinity. The License Agreement is for 20 years and will generate \$495,989 cumulatively in revenue from annual license fees over this time span.

The License Agreement includes a transfer of risk requiring the Licensee to post Security and Restoration deposits in the amount of \$100,000 each to ensure compliance with the terms and conditions of the License Agreement. In addition, a \$1,000,000 performance bond is required to be in place if damage is done to the Aqueduct. The performance bond would be in place until repairs are completed.

Pursuant to Charter Section 606, the Board may grant franchises, concessions, permits and licenses or approving leases for less than five years. Terms greater than five years require City Council approval. The City Attorney has approved the proposed Resolution, and License Agreement as to form and legality.

BACKGROUND

The Licensee is developing and constructing the 1,150-megawatt Bellefield Solar energy and storage project in Mojave, California. The requested crossing enables the Licensee to connect to a Southern California Edison substation located two miles away. The License Agreement grants the Licensee, the non-exclusive right to construct, operate and maintain the overhead transmission line consisting of five wires, and appurtenances over the Aqueducts. In addition ingress and egress to its facilities is allowable. It should be noted that the area where the crossovers will occur is a concrete area with the aqueduct located underground. The Licensee will pay for the permits and licenses required to perform the work and will seek approval from LADWP staff with written approval prior to any construction or grading begins. The solar farm project is anticipated to start construction in January 2023. Construction activities at the aqueduct crossing location will take place in late 2023.

The License Fee over the first five years will begin at \$15,000 (for five wires) in the first year, with increases of five percent every year until year six. Thereafter, the annual license fee will increase ten percent annually for compensation adjustments. The total anticipated revenue to be generated is \$495,989 over the 20-year term.

FISCAL IMPACT STATEMENT

Approval of the proposed Resolution and License Agreement will not have a General Fund fiscal impact. The proposed License Agreement will generate \$495,989 in revenue over 20 years from license fees. Funds will be deposited into the Water System Revenue Fund. The proposed request complies with the LADWPs adopted Financial Policies.