



## Legislation Text

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**File #:** 130310., **Version:** 3

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### **GREC Right of First Offer (NB)**

At the October 21, 2013 City Commission meeting, the Commission authorized City Staff to exercise its right of first offer (ROFO) to purchase the 100 MW Biomass Plant at a price of \$400,000,000. An Offer Letter was prepared and submitted to GREC on October 21, 2013.

City Staff met with GREC via teleconference to present and negotiate the purchase of the 100 MW Biomass plant as authorized by the City Commission on October 17, 2013. In attendance on behalf of the City of Gainesville were:

Commissioner Wells  
Bob Hunzinger  
Russ Blackburn  
Nicolle Shalley  
Brent Godshalk  
David Richardson (Lead Negotiator)  
John Stanton  
Kathy Viehe  
Becky Rountree  
Shayla McNeill  
Mark Benton  
Carl Lyon - Orrick, representing GRU

Members of the GREC Board of Directors participated in the teleconference representing GREC.

The meeting lasted several hours, and the results were as follows:

There are no terms and conditions at the city's authorized purchase price of \$400M that are acceptable to GREC;

GREC indicated that their estimate of the Fair Market Value of the 100 MW Biomass plant was "hundreds of millions of dollars higher" than the City's \$400M offer price;

GREC indicated that they have an interest in options besides the purchase, such as a prepayment agreement, that may be mutually beneficial to both parties;

Both parties agreed that at this time and without further direction from the City Commission or changed interest from GREC, no further meetings will be beneficial;

The negotiating period will expire on November 20, 2013.

The City Commission consider the status of the offer to purchase the 100 MW Biomass Plant and take further

actions as it deems appropriate.

**Recommendation from Mayor-Commissioner Pro Tem Randy Wells**

**Move that we add to our Federal legislative agenda legislation and/or regulations that would remove the disadvantage for municipal utilities to acquire eligible renewable energy projects that were funded in part by a 1603 grant.**