The New Mexico Commissioner of Public Lands (the “Commissioner”) will accept sealed bids seeking the highest and best bid for a long term commercial business lease of 450.00 +/- acres of state trust land for a renewable energy (solar power) facility (the “Lease”). The land is located in McKinley County, New Mexico. Additional information is available in sealed packets, available at http://www.nmstatelands.org or upon request as detailed below. The entire bid packet is incorporated with this notice by reference and should be reviewed before submitting a bid.

1. Description of the Land: The land is offered as a single parcel only, as described as follows (the “Land”): Being 450.00 +/- acres located in the State of New Mexico, in McKinley County, New Mexico, being more particularly described as follows:

Section 36, Township 16 North, Range 20 West, New Mexico Principal Meridian

2. Summary of Basic Provisions of the Lease: The Land is proposed to be leased pursuant to State Land Office Rule 9(19.2.9 NMAC) for the purpose of operating a renewable energy (solar power) facility, and is subject to the terms and conditions authorized in the Lease. The term of the Lease is for thirty-five (35) years and is subject to proration of five year renewal. Per Section 4.1 of the Lease, Lessee shall pay to Lessor [the Commissioner] as rent for the Land and for the rights and privileges granted in the Lease.

First Year’s Base Rent of two dollars ($7.00) per acre, for a total of three thousand three hundred sixty ($3,360.00).

Year PER ACRE PAYMENT
1 $7.00
2 $7.00
3 $8.00
4 $9.00
5 $10.00

Operations Base Rent begins when the Solar Power Facility starts generating energy. The rent for operations base rent, year one (1) will be ten dollars ($10.00) per acre per year or three thousand dollars ($3,000.00) per megawatt (MW) of installed capacity, whichever is greater. The Lease contains additional fees, including a Ground Disturbance Fee (Section 4.2.1) and a Solar Power Device Installation Fee (Section 4.2.2). Additional Operation Base Rent parameters, including Percent Operations Base Rent, are referenced in Section 4.1.2.2 of the Lease (Exhibit 3).

Operation Phase Years: Minimum Operations Phase Rent:

Years 1 The greater of, $3,000/MW installed Capacity, or $10.00/acre of Leased Premises /Year
Years 2-10 The greater of, $3,000/MW installed Capacity, or $12.00/acre of Leased Premises /Year
Years 11-20 The greater of, $3,000/MW installed Capacity, or $14.00/acre of Leased Premises /Year
Years 21 – end of Operations Phase The greater of, $3,000/MW installed Capacity, or $18.00/acre of Leased Premises /Year

Renewal Term (if any)
$201.00 /acre of Leased Premises /Year

Decommissioning Phase Rent, Lessee shall pay Lessor one-time Decommissioning Fee of one hundred dollars ($100.00) per acre, payable upon commencement of decommissioning activities on the land as described in Section 3.2.4 of this Lease. Any Operation Phase fees that remain in any period in which the Decommissioning Phase begins will be prorated and credited toward Decommissioning Phase Rent.

Interest on delinquent base rent or percent rent payments shall accrue from the date the payment becomes due at the rate of one percent (1%) per month or any fraction of a month thereof, from thirty (30) days past due and until all applicable notice and cure periods are cured by Lessee in full. Lessee shall pay a late processing fee of five hundred dollars ($500.00) for any delinquent payment of rent, in accordance with the Lessor’s schedule of late fees.

3. Requirements and Qualification of Bidders & Required Deposits:

Only qualified bidders may submit a sealed bid. In order to qualify to submit a sealed bid, prospective bidders must first complete the following:

a) a completed application meeting the statement of minimum qualifications - Exhibit 5, an application fee of five hundred dollars ($500.00); b) an advertising deposit in the amount of nine thousand nine hundred ninety dollars ($9,959.21); and d) the first year’s rent in the amount of three thousand three hundred sixty ($3,360.00). A bidder shall submit one-time payment for the Total Qualification Deposit in the amount of thirteen thousand eight hundred nineteen dollars and twenty-one cents ($13,819.21), payable to “Commissioner of Public Lands.”

4. Application and Deposit Submission: The application, application fee and qualification deposit must be received at the New Mexico State Land Office, P.O. Box 1148, Santa Fe, NM, 87504, 310 Old Santa Fe Trail, Santa Fe, NM, 87501, or in the drop-box on the front of the State Land Office Building at 310 Old Santa Fe Trail after Commissioner of Public Lands, no later than 3:00 p.m. (MST) on Monday, January 4, 2020.

5. Sealed Bid Auction: The auction will be in the form of a sealed bid. Only bidders who have submitted a complete application and met the qualification requirements may submit a sealed bid. The minimum bonus bid amount is one hundred thousand dollars ($100,000.00) with additional amounts in increments of ten thousand dollars ($10,000.00) each. The bonus bid amount should be entered on the bid form and sealed in a separate envelope. The envelope containing the sealed bid must be plainly marked “ES-0054 AUCTION-SEAL-BID, not to be opened until January 8, 2020 at 9:30 am.” Sealed bids may be submitted by mail, express delivery, or in person to the Commissioner of Public Lands and must be received by 3:00 p.m. (MST) on Thursday, January 7, 2020. All sealed bids will be opened at the date, time and place of the auction as set forth below.

Date: Friday, January 8, 2020
Time: 9:30 am (MST)
Place: New Mexico State Land Office
On the front doors outside the building
310 Old Santa Fe Trail, Santa Fe, NM 87501
Bidders will be notified about any venue change

6. Selection of the Winning Bidders: The Lease, if any, will be awarded to the bidder making the highest bonus bid, if the offer made is determined to be satisfactory by the Commissioner. If two or more sealed bids by qualified bidders are equal in amount and exceed the amount of any and all other sealed bids by qualified bidders, the Commissioner may exercise their discretion to request oral bids at the bid opening or cancel the lease auction. In the event that the bid opening is cancelled, all qualified bidders will be notified by mail at the address provided in the submitted application. The Commissioner reserves the right to reject any bids or to cancel this auction, and to reinstitute the process of offering the Land for long-term lease, sale or exchange on the same or different terms. The successful bidder must deposit with the Commissioner the bonus bid amount no later than five (5) business days after auction. If the bonus bid is not timely submitted, the Commissioner may disqualified the bidder and declare the next highest qualified bidder to be the successful bidder, or declare that no bid was successful.

7. How to Get Additional Information: Additional information is available in the Bid Packet. The Bid Packet is incorporated in this Notice by reference and should be reviewed in detail before attempting to qualify to bid. To obtain more information about the lease or a copy of the Bid Packet, please go to http://www.nmstatelands.org or contact:

Jennifer Lewis
Director, Office of Renewable Energy
Commercial Resources Division
NM State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501
505-827-5724
jlewis@ldc.state.nm.us

Disabled individuals who require assistance to participate in the auction may call (505) 827-5760; Fax (505) 827-5766 and/or TTY (800) 639-3331.