

RESOLUTION NUMBER R- 312222DATE OF FINAL PASSAGE MAR 07 2019

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING AN AGREEMENT WITH ENERGY CENTER SAN DIEGO LLC TO PROVIDE CHILLED WATER TO THE PROPERTIES LOCATED AT 1200 THIRD AVENUE AND 101 ASH STREET IN THE CITY OF SAN DIEGO.

WHEREAS, buildings located throughout Downtown San Diego use a chilled water loop system to condition the air within the buildings and this approach provides flexibility and economies of scale as only one plant is necessary for air cooling rather than each building generating its own air conditioning; and

WHEREAS, Energy Center San Diego LLC (NRG) has a non-exclusive franchise, which is scheduled to expire in 2021, to construct, maintain, and use a chilled water loop system to a four-square-mile service area in Downtown San Diego to various buildings, including the recently completed San Diego Central Courthouse and the properties the City of San Diego (City) currently leases located at 1200 Third Avenue (CCP) and 101 Ash Street; and

WHEREAS, CCP was constructed in 1978 and designed to use the chilled water loop system for air conditioning with NRG's predecessor-in-interest providing the chilled water from the time the building opened, and approval of the proposed agreement would provide for the City to have a direct contract with the service provider; and

WHEREAS, NRG provided chilled water for air conditioning to 101 Ash Street while the property was occupied by Sempra; and

WHEREAS, 101 Ash Street has the infrastructure for both the chilled water loop system and traditional cooling system, and City staff has determined that using chilled water for air

conditioning will be more energy efficient than the use, maintenance, and eventual replacement of on-premise equipment; and

WHEREAS, using the chilled water loop system for air conditioning of buildings eliminates the capital cost of equipment and the associated repair and maintenance costs, allows the City to only pay for what it needs and uses, is energy efficient, reduces electricity costs, and is environmentally friendly by eliminating all Freon and associated chemicals used for air conditioning in the buildings; and

WHEREAS, the proposed contract with NRG is for a term of 20 years and two five-year options to extend, at the City's sole discretion, unless NRG's franchise rights terminate earlier;
NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the Mayor, or his designee, is authorized and directed to execute the Master Energy Services Agreement with Energy Center San Diego LLC, on file in the Office of the City Clerk as Document No.

RR-**312222**, for the supply of chilled water to 1200 Third Avenue and 101 Ash Street, San Diego, CA 92101.

BE IT FURTHER RESOLVED, that the Chief Financial Officer is authorized to expend an amount estimated to be \$31,000,000 over twenty (20) years and \$7,750,000 over each of the two five-year extension options, depending on actual usage by the City of San Diego, for the purpose of funding the Master Energy Services Agreement to supply chilled water for air conditioning to 1200 Third Avenue and 101 Ash Street, San Diego, CA 92101, with Energy Center San Diego LLC, contingent upon the adoption of the Annual Appropriation Ordinance for the applicable fiscal year and contingent upon the Chief Financial Officer furnishing one or more

certificates certifying that funds necessary for expenditure are, or will be, on deposit with the
City Treasurer.

APPROVED: MARA W. ELLIOTT, City Attorney

By Hilda R. Mendoza
Hilda R. Mendoza
Deputy City Attorney

HRM:nja
01/17/19
02/06/19 Cor. Copy
Or. Dept: READ
Doc. No.: 1911675

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this
meeting of FEB 25 2019.

ELIZABETH S. MALAND
City Clerk

By Atty. Brady
Deputy City Clerk
Kevin L. Faulconer
KEVIN L. FAULCONER, Mayor

Approved: 3/7/19
(date)

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on FEB 25 2019, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Ward	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Georgette Gómez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage MAR 07 2019.

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By *My Brady*, Deputy

Office of the City Clerk, San Diego, California

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