

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	67282	Agenda Number	2.
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Meeting Date:	2/2/2017	Department:	Austin Energy
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Subject

Authorize negotiation and execution of an interlocal agreement with Austin Community College (ACC) to provide on-site chilled water services at ACC's Highland Campus located at 6101 Airport Boulevard. (District 4)

Amount and Source of Funding

This is a request to enter into an interlocal agreement with ACC, and no funds are dedicated with this action. Austin Energy will return to City Council for consideration of all design and construction contracts.

Fiscal Note

A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	
For More Information:	Jeff Vice, Director, Local Government Issues (512) 322-6087; Jim Collins, Director, On-Site Energy Resources (512) 322-6426.
Council Committee, Boards and Commission Action:	January 23, 2017 - Recommended by the Electric Utility Commission on a vote of 8-1, with Commissioner Biedrzycki voting against and with two vacancies.
MBE / WBE:	
Related Items:	

Additional Backup Information

Austin Energy requests approval of an interlocal agreement with Austin Community College (ACC) to provide on-site chilled water services to meet the cooling needs of the Highland Campus located at 6101 Airport Boulevard in Council District 4.

ACC's Highland Campus is part of an 80-acre urban redevelopment of the former Highland Mall property into a center for innovative learning. The redevelopment is part of the City of Austin's Airport Boulevard Initiative to revitalize the corridor into a transit and pedestrian-oriented sustainable mixed-use urban district. RedLeaf Properties is ACC's partner in the development of the campus, and is overseeing the mixed-use aspect of the project with options for development on portions of the site not used by the college.

In 2016, the ACC Board of Trustees unanimously authorized their administration to negotiate an interlocal agreement with Austin Energy to provide construction and operation of a chilled water plant and related distribution system for the Highland Campus. In addition to that support, ACC's Highland Campus Master Plan incorporates a district

cooling plant to provide cooling demands of the future build-out.

Austin Energy proposes to design, procure, and operate a satellite chilled water plant on behalf of ACC. Based on projections; a 5,400-ton plant including redundancy will be required for the campus' 1.2 million square feet of conditioned space. Thermal energy storage would be provided in the form of a 1.6 million gallon stratified chilled water storage tank to provide electrical demand management.

The design and construction of the Highland Campus chilled water plant is expected to cost \$31-35 million. Future City Council approvals of competitively bid design and construction contracts are required. A successfully negotiated interlocal agreement with ACC will allow Austin Energy to provide chilled water service to the Highland Campus at a fair market price while meeting their build-out schedule and provide Austin Energy the desired return on investment over the term of the chilled water service agreement.

Austin Energy has a District Cooling or chilled water program that aggregates its customers' chilled water requirements and uses thermal energy storage to shift electrical energy consumption from on-peak to off-peak periods which results in lower Regulatory and Power Supply Adjustment charges for all electric customers.

The ACC project will support Austin Energy's current thermal storage goal included in the Resource, Generation and Climate Protection Plan for 20 megawatts (MW) by 2025.

City Council members will receive a staff briefing on this collaborative development opportunity at the Austin Energy Utility Oversight Committee meeting scheduled for January 30, 2017.