



Request for City Council Committee Action From the Department of Public Works

Date: August 12, 2003
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: Honorable Barb Johnson, Chair Ways & Means Committee

Subject: **Authorization to negotiate and execute amendments to the NRG Energy Center Agreements which allow for the provision of steam heating and chilled water cooling to the Loring, Centre Village, and Leamington Municipal Parking Ramps**

Recommendation:

1. That proper City of Minneapolis officials be authorized to negotiate and execute an amendment to the City of Minneapolis Agreement (approved 5/5/80) whereby NRG Energy Center provides steam heat and cooling water to the Loring Municipal Parking Ramp. Said amendment shall provide for a commencement date of July 1, 2003 and terminate June 30, 2008 with an option to renew for three additional five-year periods.
2. That proper City of Minneapolis officials be authorized to negotiate and execute an amendment to the City of Minneapolis Agreement (approved 6/30/82) whereby NRG Energy Center provides steam heat and cooling water to the Centre Village Municipal Parking Ramp. Said amendment shall provide for a commencement date of July 1, 2003 and terminate June 30, 2008 with an option to renew for three additional five-year periods.
3. That proper City of Minneapolis officials be authorized to negotiate and execute an amendment to the City of Minneapolis Agreement (approved 2/21/92) whereby NRG Energy Center provides steam heat and chilled water to the Leamington Municipal Parking Ramp. Said amendment shall extend its end date to June 30, 2008 with an option to renew for three additional five-year periods.

Previous Directives:

- May 5, 1980 authorizing execution of City agreement for steam heating of Loring Municipal Parking Ramp
- June 30, 1982 authorizing execution of City agreement for steam heat at Centre Village Municipal Parking Ramp
- February 21, 1992 authorizing execution of City agreement for steam heat and chilled water at Leamington Municipal Parking Ramp

Prepared by: Mike Sachi, Parking and Skyway Systems Engineer, 673-2159

Approved by:

Klara A. Fabry, P. E., City Engineer, Director of Public Works

Presenters: Mike Sachi, Parking and Skyway Systems Engineer

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:

The Parking system in Minneapolis has six ramps (with six agreements) in which NRG provides steam heating and chilled water (the remainder of the facilities use internal resources or another energy provider) as a part of the design for ramp operation. Of these six there are three that are affected by the proposed action before this committee.

The three NRG agreements to be amended are those for the Loring, Centre Village, and Leamington Municipal Parking Ramps. In the Loring and Centre Village Ramps, NRG provides steam heat. In the Leamington Ramp, NRG supplies steam heat for winter heating and chilled water for summertime cooling.

Since two of the agreements have expired or will expire soon, the amendments are fundamentally needed to allow continued service to the Ramps. However, the changes to the agreements will also provide revenue savings resulting from a combination of energy conservation measures and redrafting contractual language on heating and cooling requirements in the Ramps. In addition, the amendments will put the NRG agreements on identical approval cycles thereby reducing paperwork and costs involved in tracking and record keeping.

Staff recommends approval of these changes.

Funds for these agreements are programmed and available in the municipal parking fund operating budget.

cc: Tim Blazina, Manager of Off Street Parking

/tpwaug12a