



## Business-driven solutions for water/energy efficiency and infrastructure upgrades

*When you make investments in your community, you have a greater ability to attract and retain both residents and businesses. As your community grows, your economy flourishes and you build a foundation for a stronger future.*

**June 15, 2016**

# Create a city-wide strategy

Water & Wastewater Treatment

HVAC

Renewable Energy

Roofs

Wi-Fi



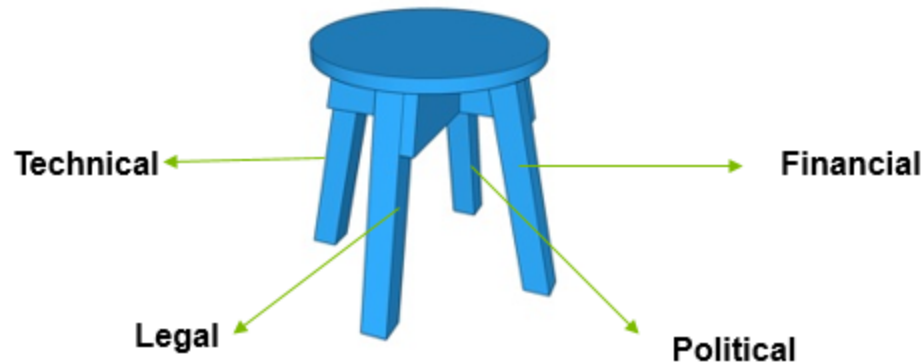
IT Technology

Building Envelope

Street Lighting

# How the Business-Driven Approach Helps Cities

- **The Challenge:** How do you attract businesses to your city which has an outdated infrastructure without using precious city funds, or burdening the developer, or raising taxes?
- **The Answer:** Identifying and bringing on the right partners!

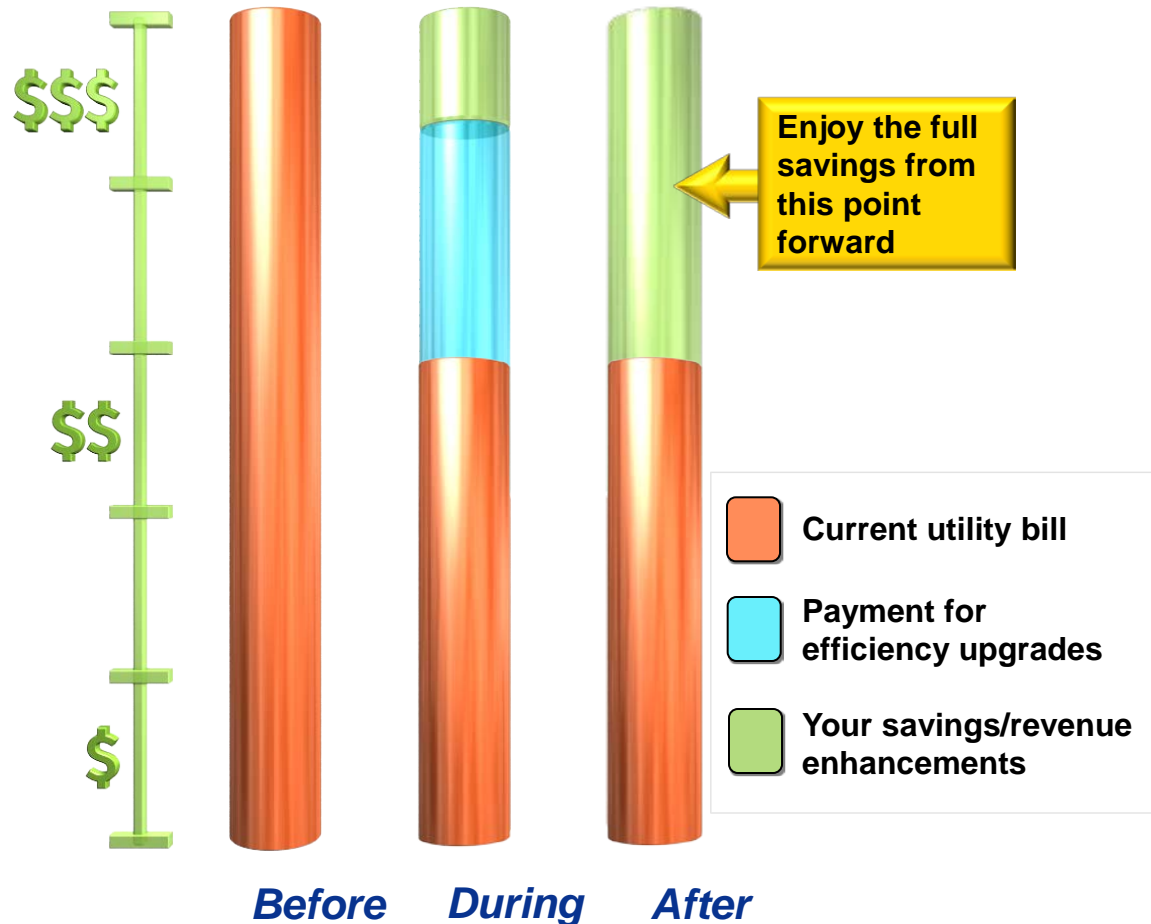


*Aspects Addressed in Successful Projects: A Four-Legged Stool*

# A business-driven decision

- Performance contracting allows cities to pay for energy efficiency infrastructure upgrade projects in a budget-neutral manner funded by savings.

- Take performance contracting beyond the budget-neutral to **enhance revenue** for the City, **positively impact the local economy**, **leveraging customized financial solutions**, and **minimizing risk** to the City.



# How the Business-Driven Approach Helps Cities

## The Partnership must:

- Understand the goals and objectives of the City
- Have the flexibility to incorporate those goals and objectives into the project
- Understand how to minimize risk to the City
- Be able to find new revenue streams
- Have expertise in all the appropriate technical fields so as to have a holistic approach
- Be able to educate staff
- Be able to work with the financial advisor to structure the deal in the best interest of the City
- Provide a guarantee without additional cost
- Be a financially sound and stable company
- Be able to implement a complex project in a timely manner with minimal impact to staff
- Have demonstrated the ability to do the above

# Applying this Approach to the City of Sanger

## Scope of Work

HVAC replacements

Roof replacements

Pool pump VFD

Lighting retrofits

Solar photovoltaic system at Waste Water Treatment Plant

Blower replacement at Waste Water Treatment Plant

Dissolved oxygen control at Waste Water Treatment Plant

Final effluent pump rebuild

Water meter replacement/AMI

Automated Leak Detection



# Benefits of the Project for the City of Sanger

- Energy efficiency and operational savings resulted in excess revenue from the project
- This excess revenue allowed the reserves for the City enterprise funds to be built up and used for doing other maintenance activities
- S&P saw the investment the City was making in improving infrastructure, and the building up of reserves and this strengthened the City's credit rating
- The guarantee by Johnson Controls was seen as reduced risk by the lenders which favorably impacted interest rate
- City staff was able to focus on the mission of the City while the projects were safely implemented – *nine years of work accomplished in ONE year*
- The City contractually required JCI to use **75%** labor from within Sanger (audited result was 82%) and these trained workers are now doing this work for others

# Results of a Business-Driven Project Supporting Economic Development in Your City



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# Your Johnson Controls Contact

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