



**STAFF REPORT**  
**1/13/2021**

**TO:** Honorable Mayor and City Council Members

**FROM:** Best Best & Krieger LLP, City Attorney

**SUBJECT:** Agreement with Nationwide Power Group LLC Regarding the Construction and Operation of an Electrical Substation and Other Facilities to Serve the City's Economic Development Zone

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**STAFF RECOMMENDATION:**

Approve agreement with Nationwide Power Group to construct and operate an electrical substation and related infrastructure to provide electricity to the City's Economic Development Zone.

**DISCUSSION/ANALYSIS:**

Currently, there is insufficient infrastructure available to provide the electricity needed to power the expanding industrial uses in the Economic Development Zone. City staff has been exploring options to provide more power to the area including discussions with the Imperial Irrigation District (IID) to construct an electrical substation as well as the option for a developer to finance, build and operate the infrastructure. City staff has been in negotiations with IID and a developer through a public-private partnership where the developer, Nationwide Power Group (Nationwide), would construct the substation and related infrastructure, operate it over a period of time to recoup its investment, and then transfer operation and ownership to IID.

The agreement provides that Nationwide will finance, design, construct, own and operate the substation and infrastructure to serve the EDZ. Nationwide will operate the facilities through 2035 and then transfer ownership to IID at that time. In exchange for building and operating the substation and using City public rights-of-way, the City will receive an 8 percent royalty payment on a monthly basis from Nationwide based on customer bills at the EDZ. Nationwide will incur all risk and liability for the facilities and there is no other obligation to the City. IID will continue to be the utility for this portion of the City and supports Nationwide's operation of the substation through 2035.

**ALTERNATIVES:**

1. Do not adopt the agreement with Nationwide.
2. Provide additional direction.

**FISCAL IMPACT:**

None Anticipated.

**RECOMMENDED ALTERNATIVE(S):**

None.